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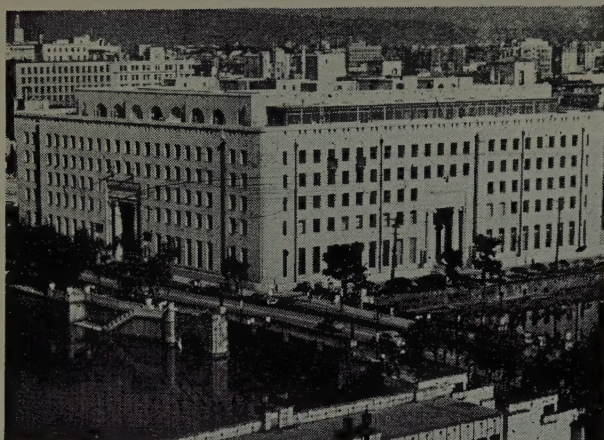
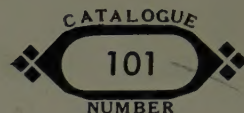
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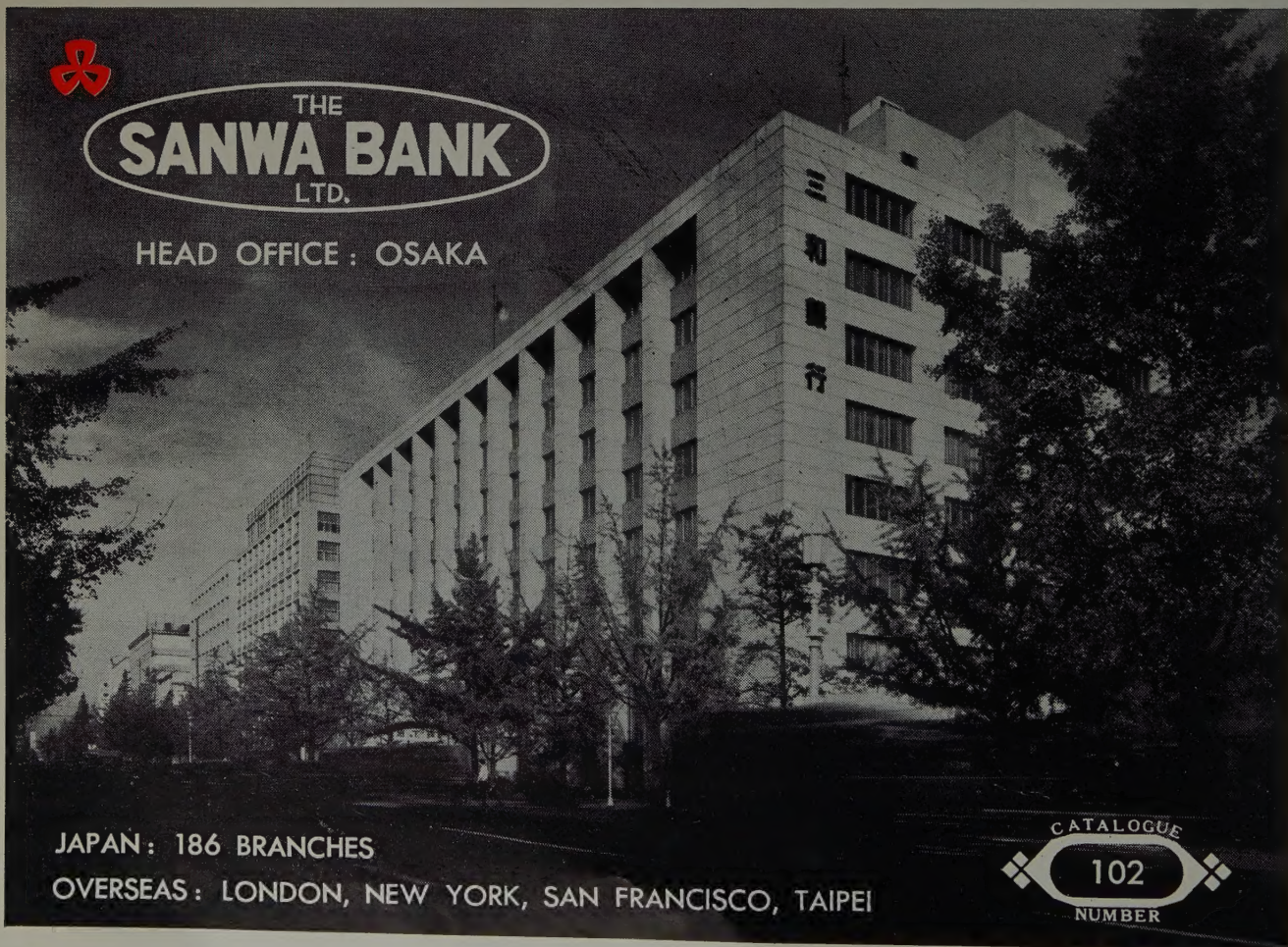
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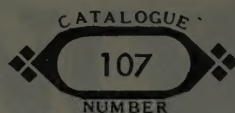
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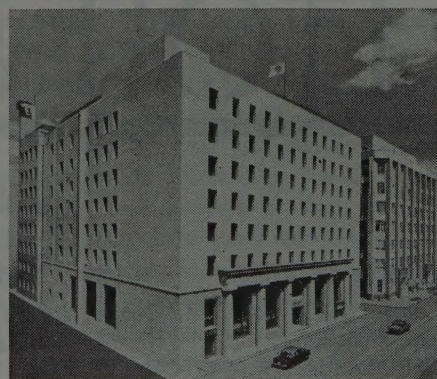
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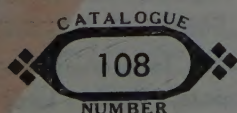
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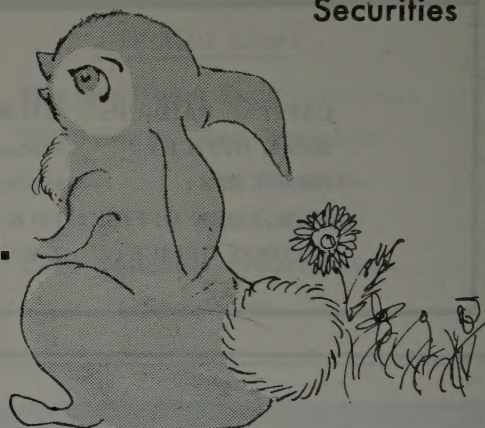
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Review of the Month

THE 34th ordinary session of the National Diet, in recess since late December, was reopened on January 30, three days behind schedule due to the controversy over the resignation of Ryogoro Kato, Speaker of the House of Representatives. The current Diet session is scheduled

34TH ORDINARY to continue for about four months until May 27.

DIET IN SESSION To fill the vacant seats of Speaker and Vice Speaker of the Lower House, Takaichi Nakamura (Socialist Party) was elected Vice Speaker on January 30, and the election of Ichiro Kiyose (Liberal-Democratic Party) as Speaker followed on February 1. Mr. Kiyose, who graduated from the law department of Kyoto University, was returned to the Lower House for the first time in 1920 and was elected Vice Speaker of the House in 1928, and later served as chairman of the Tokyo Lawyers' Association. He is well known as chief counsel at the Tokyo Military Tribunal after the war. Although removed from public office under the Allied purge directive later, he was reelected to the Lower House in the general election in October, 1952 and served as Minister of Education in the third Hatoyama Cabinet formed in November, 1955. Returned to the Lower House in 11 general elections and aged 75, Mr. Kiyose is an adviser to the Liberal-Democratic Party and a member of Cabinet's Constitutional Research Committee. Mr. Nakamura, aged 62, entered the law after graduation from the law department of Waseda University. After having served as member of the Tokyo municipal (later metropolitan) assembly for some time, he has been elected to the Lower House for six times. Prior to his election as Vice-Speaker, he served as member of the central executive committee of the Socialist Party, chief of the party's executive board, and chairman of the party's Tokyo regional sector.

The resignation of Mr. Kato as Speaker of the Lower House was directly attributable to the intrusion on the Diet building by leftist students on November 27, 1959. Mr. Kato on December 8 submitted to the Standing Committee for House Management the bill for restrictions on demonstrations around the Diet building, and on December 17 declared his decision to put four Socialist members of the Lower House including Inejiro Asanuma, secretary-general of the Socialist Party, to the House Standing Committee for Disciplinary Measures on the ground that they were involved in the November 27 demonstrations. The Liberal-Democratic Party had the bill approved at the Lower House by solo deliberation on December 24 (although the bill is still under deliberation in the Upper House). The Socialist Party, offended by the unilateral action by the Liberal-Democrats, forced Kiyoshi Masaki (Socialist) to tender his resignation as Vice Speaker for the reason that his advice for the normalization of parliamentary proceedings was not accepted, and at the same time demanded Mr. Kato (Liberal-Democrat) to resign as he was jointly responsible. Liberal-Democratic leaders, on their part, endeavored to persuade Mr. Kato

into resignation in an attempt to soften the Socialist attitude for the normalization of Diet management. Mr. Kato, who had insisted that he would not resign until the passage of the anti-demonstrations bill and the settlement of the disciplinary case, eventually bowed to the pressing need of Diet reopening, and resigned on February 1, three days after the exit of Mr. Masaki, with a statement that he would "unwillingly" leave his post as a further delay would hamper Diet proceedings. In view of the circumstances under which the Speaker and the Vice Speaker were led to resign, it appears that they were victimized for party interests and tactics, a deplorable case against the two highest officers in the Diet who should always be held completely bipartisan.

As expected, deliberations at the reopened Diet have been focussed on the Japan-U.S. security pact issue from the very start. Interpellations were concentrated particularly on the Government's definition of the term "Far East" in the new Japan-U.S. Security Treaty. Judging from the replies made by Government leaders to interpellations, it appears that the term "Far East" as interpreted by the Government means a general area north of the Philippines, and especially the areas immediately surrounding Japan, including Formosa (Quemoy and Matsu inclusive), Okinawa, Korea, Habomai, Shikotan, Etorofu and Kunashiri. Thus, the Government's definition as clarified at the current Diet session is widely different from the interpretation made at the last extraordinary Diet session which included Continental China and the Maritime Province. Although the Government's explanation at the current Diet that Continental China and the Maritime Province are not included has served to define the term "Far East" for the time being, it has not been as yet clarified whether Japan reached an agreement with the United States on this interpretation. There are still many points on which the Opposition may attack the Government in interpellations like the failure of the Government to subject to prior consultation the transfer of the U.S. Forces in Japan to areas other than "previously agreed" and supply operations involved. Hence, more exhaustive scrutinies are expected at a special Diet committee created for a further study of the security treaty. From the very start of the first meeting of the committee on February 19, the Socialist Party, holding that the committee has the right to get the treaty amended, and the Government, denying the right, were bitterly opposed.

Party Lineup at 34th Ordinary Diet Session

House of Representatives		House of Councillors	
Liberal-Democrats	288	Liberal-Democrats	136
Socialists	127	Socialists	68
Democratic-Socialists	38	Democratic-Socialists	16
Independents*	3	Independent Club	15
Vacancies	11	Ryokufukai	10
Total	467	Communists	3
		Vacancies	2
		Total	250

Note: * Including one Communist.

THE Soviet memorandum concerning the Habomai and Shikotan islands to Japan dated January 27 created wide repercussions here, as it came close on the heels of the signing of the new Japan-U.S. security pact. In the SOVIET MEMORANDUM TO JAPAN Soviet-Japanese joint declaration which was issued in October, 1956, it is stipulated that the Soviet Union will return these two islands to Japan after the conclusion of

a Japanese-Soviet peace treaty. With the new security treaty signed between Japan and the United States, however, the Soviet Union has changed its attitude, declaring in the memorandum that the return of the two islands is additionally conditional on the withdrawal of foreign forces stationed in Japan. In reply to the Soviet memorandum, the Japanese Government under the date of February 5 sent a note of protest to the Soviet Union, stating that whether Japan may follow a neutral policy is a matter of her own decision not to be interfered with by other countries, that the new Japan-U.S. security treaty is an arrangement of the defensive character not to be put in operation in the absence of any aggressive action in violation of the United Nations Charter, and that the Soviet memorandum runs counter to international faith. It should be noted that the Japan-U.S. security pact had already existed and foreign forces had been stationed in this country at the time the Soviet-Japanese joint declaration was issued, and the Soviet Union agreed to return the Habomai and Shikotan islands in the presence of these established facts. It should also be borne in mind that the joint declaration was a full-fledged international document ratified by the supreme organs of the two countries which the Soviet Union alone cannot revise unilaterally. Treaties are generally concluded to prepare for the possible changes in surrounding environments. The same is the case with individual transactions. Can commercial contracts concluded at some set prices of commodities be unilaterally broken simply because market quotations started to decline at the time of deliveries? If such preposterous practices are allowed to remain in existence, orderly economic exchanges are impossible. Even assuming that the new treaty between Japan and the United States is a "new development" as the Soviets are understoodly taking it, the Soviet Union attempting to change the formal arrangement unilaterally on such a ground is sufficiently blamable as an untrustworthy partner. World peace cannot be attained simply through disarmament, as the faithful observance of international promises is an indispensable prerequisite.

A NEW political party aiming at democratic socialism was born in Japan on January 24. The newly-created party, called the Democratic Socialist Party, is headed by Suehiro Nishio as chairman of the central executive committee, Chosaburo Mizutani as head of the dietary group, and Eki Sone as secretary-general. All of the three leaders of the new party were prominent members of the rightist group of the Socialist Party which they had left. The debut of the new party, which criticizes the Socialist Party as excessively inclined toward communism and boasts of the possibility of replacing the Liberal-Democratic Party to take the reins of government within five years, created a big sensation in the political world. In the labor world, the rivalry between Sohyo (membership, 3,500,000) backing the Socialist Party and Zenro (1,100,000 strong) in support of the new party is certain to grow intensified. The new party has so far been warmly received by the public, not simply because its platform and policies are comparatively moderate and neutral, but also because the freshness of its

character has proved particularly attractive to voters dissatisfied with the two big parties—Liberal Democrats and Socialists.

The new party has grown into an influential parliamentary group comprising 54 members in both Houses within a short period of four months after its secession from the Socialist Party in October, 1959. With more rightist members of the Socialist Party threatening to bolt at any time, the new party is likely to be further strengthened sooner or later. The rise of the new party is a bigger handicap to the Socialists, as the split of the Socialist Party is apparently benefiting the Liberal Democratic Party. The Government Party, however, will not be allowed to stand aloof, as there is every chance that the strata of floating voters still at a loss to choose between the two big parties will come in support of the new party in the next general election.

The birth of the Democratic Socialist Party may be traced back to the decision at the Socialist Party rally in September last year to take Mr. Nishio to task for his "unsocialistic" speech and action. Members of the Nishio group in the Socialist Party and leaders of Zenro supporting Mr. Nishio took it that the decision was based on the attempt by Sohyo and pro-Communist elements to take control of the party and boycotted other party rallies held later. Alleging that the party could be actually reconstructed only on the basis of democratic socialism, Nishio sympathizers organized the Socialist Party Reconstruction League, and later bolted from the party in protest to the irresponsibility of party executives. These seceders on October 25 organized the Socialist Club to attend the extraordinary Diet session as an independent unit. The secession of the Nishio group tempted some members of the Kawakami group, another rightist faction within the Socialist Party, to leave the party to form the Democratic Socialist Club as another parliamentary body. And the new Democratic Socialist Party was eventually founded through the merger of the Socialist Club and the Democratic Socialist Club.

Some of the noteworthy characteristics of the new party are: 1) Its character as a national party for all strata including wage-earners to the denial of a class party based on Marxist class socialism; 2) Adherence to parliamentarism for the steady realization of socialism; 3) Recognition of the merit of capitalism in the realization of colossal productivity and the exclusion of industrial nationalization based on formalism in the realization of the party principle to confront capitalism; 4) Recognition of the need of possessing the self-defense strength, holding that the minimum preparedness is necessary for self-defending the nation as the people is called upon to protect the security of the common community against foreign aggression; 5) No demand for the immediate and unconditional abrogation of the Japan-U.S. Security Pact is made. In connection with the China problem, the new party recognizes the existence of two Chinas, but chooses the Peking regime to sit at the United Nations. It is also worthy of note that the new party, in its economic policy, aims at incorporating all strata into the middle class by checking the higher bracket and elevating the position of the masses.

THE Autonomy Agency on February 13 announced the local budget plan for fiscal 1960, placing the budget scale of local public bodies for the year at ¥1,537,600 million (vs. ¥1,329,400 million in fiscal 1959), well above

LOCAL BUDGET the (general account) state budget PLAN FOR 1960 frame of ¥1,336,600 million.

Noteworthy in the new local budget plan are a fair easing in local finances due to a wide hike in revenue and the heavier weight of expenses for wages compared with constructive spendings.

Expenditures—1) The expenses for wage and salary payments increase ¥61,200 million to take care of the boosts of employees' monthly wages and term-end bonuses, the increase in the number of personnel, including teachers for compulsory education; 2) The general administrative expenses are boosted ¥13,200 million to take care of swelling spendings for livelihood protection, juvenile protection and modernization of equipments for small business and industry; 3) The increase of investment expenses amounts to ¥87,000 million chiefly for the gains in local governmental shares in payments for projects under direct state supervision, public works expenses and unemployment relief expenses.

Revenues—1) The ¥82,100 million increase in local taxes and the ¥1,700 million decrease in local tax transfers, leaving the net gain of ¥80,400 million; 2) The ¥37,900 million increase in local tax redistribution due to the hike of three major state taxes (income, corporate and liquor) and the extraordinary transfer of local taxes (¥3,000 million); 3) The increase of ¥60,700 million in the disbursements from the treasury comprising the boosts of the state share in wages for teachers for compulsory education, and the expenses for livelihood protection, modernization of equipments for small business and industry, unemployment relief, and treasury shares in expenses for public works projects.

Local Budget Plan for Fiscal 1960

(In ¥100 million)

Items	Fiscal 1960	Increases or decreases (vs. 1959)
EXPENDITURE		
Expenses for Wages & Allowances, etc.	6,000	612
Expense for wages	5,754	604
Expense for pensions & retirement allowances	249	8
General Administrative Expense entailing Treasury Grants	1,411	133
Teaching materials for compulsory education	35	0
Other expenses	1,376	133
Public Bond Expense	841	27
Investment Expenses	3,575	870
Local gov't. shares in state enterprises	203	203
Expense for enterprises entailing Treasury grants	3,159	535
Expense for disaster-relief or recovery enterprises not entailing Treasury grants	213	132
General Administrative Expenses not entailing Treasury Grants	3,382	440
Expense reserves of Local Bodies not receiving Local Tax Redistribution	164	0
Expenditure Total	15,376	2,082
REVENUE		
Local Taxes	6,230	821
Local Transfer Taxes	317	(17)
Admission tax	136	(42)
Local highway toll tax	173	25
Tonnage dues	8	0
Tax Redistribution to Local Governments	2,865	379
Treasury Grants	4,024	607
Compulsory education	1,095	103
Other ordinary grants	908	91
Grant for public works projects	1,781	398
Grant for unemployment relief	230	15
Grant for state properties under local government charge	10	0
Local Bonds	720	245
Miscellaneous revenue	1,220	47
Revenue Total	15,376	2,082

Source: Autonomy Agency.

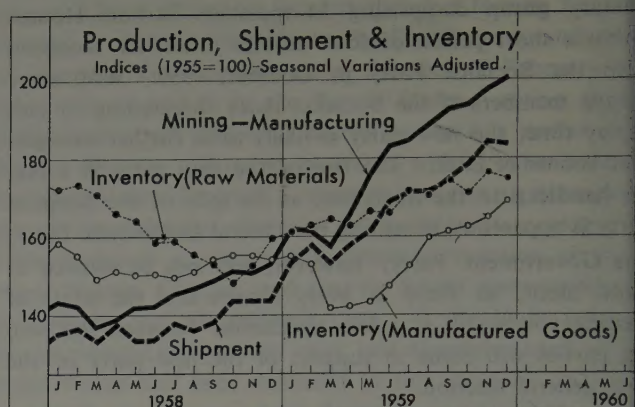
Business Indicators

Production:—The index of industrial production in December (1955=100: seasonally adjusted) stood at 200.7, registering a fair gain of 1.3% over November, according to the Ministry of International Trade & Industry. The December index, more than double the 1955 base, was also 30.9% higher than a year ago. In the four quarters of calendar 1959 (which as a whole was nearly 20.0% higher than calendar 1958), the sharpest gain of 40.0% at the annual rate was registered in the second quarter (April through June), followed by the third quarter (July through September) which rose 30.0% and the first and fourth quarters with the gain of 20.0% each. On the itemized list, the major gainers included crude steel, up 37.0% from 12,000,000 tons in 1958 to 16,620,000 tons in 1959; pig iron, up 28.0% from 7,390,000 tons to 9,450,000 tons; machine tools, up 27.0%; truck chassis, up 18.0%; and midget car chassis, up 48.0%. The production of radio receiving sets in 1959 was more than double the 1958 output, wool fabrics hiked 21.0% and synthetic fibers gained 74.0%. Equally energetic was the onward march of chemicals with sulphuric acid 10.0% larger, caustic soda 22.0% fatter and benzol 43.0% higher. To make the marked hike in industrial production possible, the supply of electric power as a major energy source also increased perceptibly with the total volume of generation in 1959 up 14.0% over 1958 to 83,200,000,000 kWh. As the lone loser, coal at 47,000,000 tons was 5.0% smaller, not because of the slip in consumption, but because of bulky releases from inventories. In another classification, both investment and consumer goods rose 23.0%, respectively, and capital goods in the investment goods group increased 27.3%. In the consumer goods group, durable consumer goods made a noteworthy gain of 66.0%. The rise of consumer goods was particularly notable in the first half of calendar 1959 while investment goods (like machinery for plant investment) made a conspicuous advance in the second half, well bespeaking of the increasing weight of investment goods production in the business upswing.

1. Major Industrial Production 1959 vs. 1958

	Unit	1958	1959	1959 vs. 1958 (%)
Power generation	million kWh	72,572	83,213	114
Coal	1,000 tons	49,673	47,247	95
Electrolytic copper . . .	tons	123,959	193,979	157
Pig iron	1,000 tons	7,393	9,450	128
Crude steel	"	12,117	16,625	137
Machine tools	tons	26,290	31,144	127
Truck chassis	units	39,416	46,638	118
Midget car chassis . . .	"	141,293	209,729	148
Radio sets	1,000 units	4,897	10,006	204
Cement	1,000 tons	14,985	17,269	115
Sulphuric acid	1,000 tons	3,801	4,195	110
Caustic soda	"	610	742	122
Soda ash	"	385	451	117
Cotton fabrics	million sq.yds.	2,646	2,757	104
Spun rayon fabrics . . .	"	936	946	101
Woollen fabrics	"	223	270	121
Synthetic fibre fabrics .	"	136	238	174

Source: Ministry of International Trade & Industry.



2. Production, Shipments & Inventory Indices (1955=100)

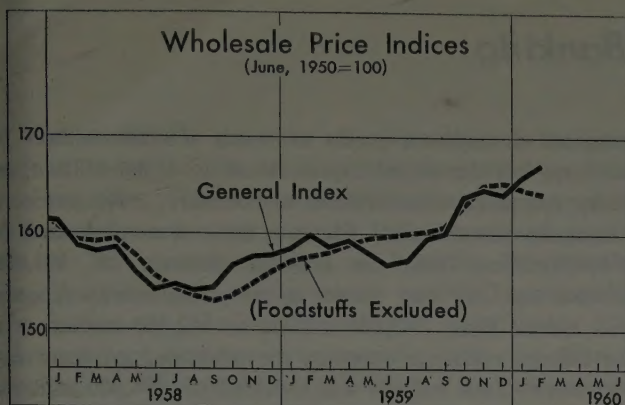
	Production	Producers' Shipments	Producers' Inventories (Mfg. Goods)	Producers' Inventories (Raw & Processed Materials)
1959—April	165.4	157.3	142.1	162.4
May	175.4	161.1	143.2	166.1
June	183.0	168.8	147.2	165.8
July	184.5	171.0	152.3	171.2
August	188.5	170.9	159.8	170.7
September	192.6	174.7	160.9	173.9
October	193.8	178.0	165.3	171.1
November	198.1	183.7	166.5	174.7
December	200.7	183.5	165.0	179.2

Note: December figures provisional.

Source: Ministry of International Trade & Industry.

Shipments & Inventory:—The index of shipments by producers increased 8.6% in December over the preceding month, although the seasonally-adjusted index at 183.5 (seasonal variations adjusted) was only 0.1% higher (27.8% up over a year ago). Taking the whole calendar year of 1959, the shipment index by producers (manufacturing and mining inclusive) was 19.9% larger than a year ago, with iron and steel, machinery and petroleum widely forging ahead. Coal on the other hand registered only a conservative gain while steel ships receded 22.3%. In contrast, shipments in chemical and textile sectors made moderate hikes.

In comparison with the steep tempo of production gain, the hike of inventories was slow and restricted. The index of inventories in hands of producers (seasonal variations adjusted), which hit the bottom in March, began to swell from April, and rose to a comfortably high position by October, followed by a apparent standstill in November through December. The index in December at 165.0 (1955=100) was almost equal to October and November, although it was still 7.1% higher than a year ago. The average ratio of inventories of manufactured products against shipments was maintained at around 90.0% throughout 1959, but there was apparently no sign of any acute supply shortages. No particular changes were noted in the inventories of major commodities in recent months, although coal stockpiles at collieries have been on the steady decline. The coal production in December reached



,132,000 tons, up 315,000 tons over November, but the December-end coal stocks dwindled sharply by 764,000 tons from a month ago chiefly due to brisk shipments, thus diving below the 4,000,000-ton mark for the first time since July, 1958.

In the process of the current business boom in Japan, a comfortable increase has been noted in the inventories of some specific items held by manufacturers and wholesalers—small bars, medium shapes, high-grade printing paper and some fibrous products.

Inventories of major raw and processed materials have also been increasing, although the rising tempo has not been so marked as the hiking pace of production. The index of raw and processed materials inventories in December (seasonal variations adjusted) was 2.6% higher than November, and 12.1% larger than a year ago as compared with the 30.0% gain marked by production in the interim. With the ratio of raw and processed materials inventories as of November, 1959 against the estimated monthly consumption in manufacturing industry registering 104.8, the position was not particularly low. Taking major raw materials, no acute shortages were apparent as of November, with iron ores at 260.0, coking coal at 113.0, phosphate rock at 208.0, industrial salt at 118.0, raw cotton at 129.0 and wool (for worsted yarn) at 263.0. The lone exception was crude oil which stood at 53.0.

3. Inventories of Major Raw & Processed Materials

Unit	Month-End Inventories		Dec., 1959 vs. Dec., 1958 (%)	Inventory Rates (%)
	Nov., 1959	Dec., 1959		
Coking coal . . . 1,000 tons	1,808	1,617	91	113
Crude oil 1,000 kls.	1,291	1,198	84	53
Iron ore 1,000 tons	2,769	2,894	93	260
Steel scraps "	1,514	1,587	135	139
Phosphate rock . . . "	289	284	104	208
Industrial salt . . 1,000 tons	193	212	86	118
Oils & fats "	45,474	50,044	138	145
Crude rubber . . . tons	4,024	4,388	87	94
Raw hides "	5,189	5,100	125	81
Raw cotton tons	72,594	72,055	102	129
Wool (a) "	20,025	20,601	92	263
Wool (b) "	4,896	4,733	111	351

Notes: Wool (a)..for worsted yarn; wool (b)..for woollen yarn.

Source: Ministry of International Trade & Industry.

Wholesale Prices:—The wholesale price index, which ended upward after the August, 1958 low, weakened in reaction from March through June, 1959, and stiffened markedly in July through October, has been steady since.

According to the Economic Planning Agency, the weekly wholesale price index (June, 1950=100) in the first week of February stood at 167.1, up only 0.3% over a month ago. The small gain was totally attributable to a 3.0%

4. Weekly Wholesale Price Indices

(June, 1950=100)

	January 1st week	February 1st week	February vs. January (%)	Feb., 1960 vs. Feb., 1959 (%)
Composite	166.6	167.1	0.3	5.2
Foodstuffs	171.5	176.7	3.0	7.4
Textiles	80.2	79.5	-0.9	1.7
Fuels	170.7	171.1	0.2	1.0
Metals	241.5	239.3	-0.9	4.5
Machinery	187.5	187.0	-0.3	0.2
Bldg. materials . .	278.4	273.9	-1.6	11.4
Chemicals	101.9	102.1	0.2	3.0
Sundries	148.7	148.8	0.1	12.5
Composite (Foods excluded) .	165.1	164.2	-0.5	4.6
Producer goods . . .	173.0	171.8	-0.7	4.2
Consumer goods . . .	155.4	158.9	2.3	7.4

Source: Economic Planning Agency.

hike of foodstuffs, as all other groups weakened or marked time. The index with foodstuffs excluded, therefore, was 0.5% lower than a month before. As the hike of foodstuff prices was solely due to temporary stimulants (such as the seasonal delivery shortages of perishables), it cannot be considered that there is any full-fledged start of the price stiffening. With foodstuffs excluded, fuels, chemicals and sundries were comparatively firm while fibrous materials, metals, machinery and building materials softened. Of the latter groups, textiles and steel products are bound to continue soft as supplies have been sufficiently replenished. With stability thus restored, however, the current price position is comfortably higher than a year ago with the gain in the past year (exclusive of foodstuffs) reaching 4.6%.

Corporate Profits:—With production and shipments up and wholesale prices steady, the sales and earnings of business and industry have begun to pick up perceptibly since the spring of 1959, and a fair improvement is expected to be registered in corporate results for the half-year term ending March, 1960. According to a recent survey by The Oriental Economist (of 382 leading companies in 37 groups in manufacturing, mining, public utility and commercial sectors) the combined total of sales for the term ending March is estimated to aggregate ¥3,828,200 million, registering an increase of 13.4% over the preceding term and a gain of 29.8% over a year ago. The declared profit before corporate tax, estimated at ¥136,200 million, will also be 19.6% fatter than the previous term and 41.5% larger than a year before. As the combined total of paid-up capital increased in the period under review, however, the profit rate against the average paid-up capital will be restricted to about 29.0%, up 1.0% over a term ago and 4.0% larger than a year before. Better earnings are thus envisaged for all industries with the exception of coal and shipping which will continue to remain in the red for the March term, and the leap will be particularly noteworthy for petroleum, iron and steel, automobile, precision machines, electric machinery, industrial machinery, commerce and trading.

Money & Banking

Money in January:—The reflux of bank notes to the Bank of Japan was brisk from the start of calendar 1960 with the total of ¥155,400 million finding the way back to the central bank during January. Hence, the supply of funds during the month eclipsed the demand by ¥22,800 million despite the bulky (¥132,600 million) excess of financial fund withdrawals over payments. In addition, withdrawals from the reserve deposits account of the central bank by city banks totalled ¥10,900 million and Bank of Japan deposits with agency banks increased ¥7,300 million during the month to enable money to grow easier. As a result, the balance of Bank of Japan loans dwindled ¥40,100 million. Well reflective of such transitions, the money market continued comparatively calm throughout January, particularly in the first decade when the reflux of money was in full swing. Equally soft was the call market. Although the money market thus fared quietly due to seasonal quellers, the basic keynote of money continued to stay stiff, and the calmness was apparently a temporary phenomenon.

Brisk Reflux:—The reflux of bank notes to the Bank of Japan, which was notably active on December 31, 1959, continued smooth after the turn of the year and reached ¥237,700 million by January 21 when the outstanding balance of note issue reached the low at ¥791,600 million, or 68.2% of the December peak, well below the corresponding ratio of 69.2% a year ago. As of the end of January, however, the outstanding balance rose to ¥874,000 million, or 74.8% of the December peak, slightly in excess of the like ratio of 74.1% a year ago. Meanwhile, the average balance of note issue in January stood 13.6% higher than a year ago, comfortably below December's 15.9%, another indication of the increasing stability of economic conditions.

Big Withdrawal Excess:—The excess of financial fund withdrawals over payments in January totalled ¥132,600 million, far ahead of the original target of ¥103,000 million and well in excess of ¥97,200 million in January, last year. Responsible for the wide gap of the actual excess and the estimated goal were the activation of financial receipts by the Government and the comparative dullness of Treasury payments. The tax revenue during January amounted to ¥99,700 million as compared with the original target of ¥99,000 million, the receipts by governmental monopolies registered ¥5,800 million against the original estimate of ¥4,000 million and the receipts in the Food Control Special Account registered ¥28,100 million to top the original mark of ¥26,000 million. Receipts by the National Railways leaped to ¥13,900 million (from the original estimate of ¥13,000 million) and those by the Nippon Telegraph & Telephone Public Corporation swelled to ¥7,400 million (from ¥7,000 million) to add further to the Treasury's revenue. In contrast, payments of financial funds in January slipped below the original targets in all accounts. The Trust Funds Bureau originally

expected its payment excess to reach ¥8,000 million in January, but the actual excess stood at ¥900 million, as bulky payments were deferred to February. The payment excess by the People's Finance Bank was minimized to ¥6,000 million from the original estimate of ¥9,000 million and the like excess in the public works account was halved from ¥5,000 million to ¥2,500 million. In the foreign exchange account, the scheduled payment excess of ¥12,000 million was dwarfed to ¥4,800 million, as impact loans receipts, originally set for January, were deferred to the following month.

Thus, the Treasury's accounts have been headed for withdrawal excesses in recent months on the spur of the business boom with payments comparatively marking time.

Bank of Japan Loans Down:—The sizable excess of receipts over payments in the Treasury's accounts was largely due to the unexpectedly smooth reflux of bank notes with the result that the fund oversupply during January reached ¥22,800 million. With the money market easy, the outstanding balance of Bank of Japan loans registered a large decrease of ¥40,100 million in January (well above the original estimate of ¥35,000 million) to the month-end total of ¥297,800 million. The decline of Bank of Japan loans was especially noteworthy in the first half of the month as the reflux of bank notes during the period far excelled the withdrawal excess of financial funds. In the first two weeks of January, the slip of central bank loans reached ¥81,400 million to reduce the outstanding balance in mid-January to the low of ¥256,400 million.

Reserve Deposit Movement:—Reserve deposits with the Bank of Japan for December (the deposit period from December 16 through January 15) fared smoothly, particularly in the second half of the deposit period on the strength of the fair reflux of bank notes with the average balance (the deposits for the December period) reaching some ¥56,500 million. With the advent of the January deposit period (January 16 to February 15), however, the inflow of reserve deposits grew dull, and the average balance for the first half (January 15 to 31) registered ¥48,500 million. With the sizable (¥16,900 million) withdrawals made on the last day of the month, the January-end balance stood ¥24,900 million smaller. The call rates, soft in the first half of January, began to stiffen in the second half of the month to cope with these transitions.

Money in January
(In ¥100 million)

	January 1960	January 1959
Note Issue	▲1,554	▲1,409
Financial Funds	▲1,326	▲ 972
Bank of Japan Loans	▲ 401	▲ 432
Other BOJ Accounts	170	▲ 5
Note Issue Balance	8,740	7,500
Outstanding Balance of BOJ Loans .	2,978	3,361

Note: ▲denotes decreases or withdrawal excesses.

Source: Compiled by *The Oriental Economist*.

Stock Market

New Peak :—In the wake of a big collapse in the latter part of December, the stock market faced the New Year in a low tone. The Tokyo Securities Exchange opened its first session on January 4 at the Dow-Jones average (old) of the 225 pivots standing at ¥869.34, ¥5.00 lower than the low at the closing session in 1959 (December 28) and almost equal to the mid-August (1959) level. The recovery later, however, was energetic with the average reaching the ¥900.00 mark on January 7 and topping the ¥950.00 level on January 12. Closing the month after hitting ¥962.55 on January 28, the average continued hiking and surpassed the past high (¥976.93 on November 30, 1959) to register ¥977.11 on February 8. The active recovery of the stock market was partly due to a reactionary movement of stock quotations which worked to rectify the excessive fall in December. Equally responsible for the revival was the increasing trend toward trade and exchange liberalization which served as a notable stimulant to traders. It may be mentioned in this context that a roundtable confab held in Tokyo in November, last year between Japanese political and financial leaders including Prime Minister Nobusuke Kishi on one hand and nearly 60 representatives of A-1 industrial and commercial companies in the United States including GE, RCA, Lockheed and Remington-Rand was a strong pump-primer to decisive measures which the Japanese Government has begun for liberalization of capital. It is reported that Japanese participants in the roundtable talks were surprised at the ardent and frank show of interest in investments in Japan by American attendants. The Japanese public, however, was acquainted with a concrete turn of the Government's trade and exchange policy toward liberalization by a statement by International Trade & Industry Minister Hayato Ikeda on January 5 concerning the governmental intention to slacken restrictions on alien investments in Japanese stocks. Mr. Ikeda's statement, side by side with the mounting tendency toward the "internationalization" of the stock market, lent an additional impetus to the onward march of stock quotations in January through February. Meanwhile, the Ministry of Finance reported that alien investments in Japanese stocks since 1950 have roughly totalled \$92,020,000, as shown in Table 1.

1. Investments in Japanese Stocks by Foreigners

Year	(In \$1,000)		Total
	Thru Stock Market	Thru Other Channels	
1950		3,150	3,150
1951	1,560	11,766	13,326
1952	2,106	8,017	10,122
1953	1,205	3,797	5,003
1954	1,268	2,702	3,970
1955	1,528	3,754	5,101
1956	3,155	6,365	9,520
1957	3,297	8,193	11,490
1958	5,133	6,217	11,350
1959	6,052	12,936	18,988
Total	25,303	66,717	92,020

Source: Ministry of Finance.

Restrictions Eased :—Contributing further to the hike of stock quotations, the Ministry of Finance on February 8 announced the easing of the restrictions on credit stock transactions. By the new measure, the rate of stock

margin requirements collected by securities merchants from customers for credit transactions have been lowered to 60.0% (from 70.0%). The Ministry of Finance was apparently led to ease restrictions on credit dealings for the following reasons: 1) Although the Dow-Jones (old) average has been swelling, the blue-chip stocks have not made particularly marked gains; 2) The decline of the outstanding balance of loans by the Japan Securities Finance Co. (to around ¥19,000 million from the one-time peak of ¥28,300 million in October, 1959; and 3) The slip of the volume of credit transactions by the "Big 4" securities merchants with their own funds (from ¥18,-100 million on October 27, 1959 to ¥8,300 million on February 2). Thus, the Ministry of Finance apparently judged that the stock market has been stabilized enough to remain calm even by the partial easing of existing restrictions on credit dealings.

Role by Scarce Stocks :—In the process of successive boosts of stock quotations in January through February, however, no particularly noteworthy increase in the volume of daily transactions was witnessed. The average daily volume of turnovers at the Tokyo Securities Exchange in January registered 72,590,000 shares, smaller than the like average of 75,960,000 shares in December, last year, although 100,000,000-share mark was topped on several days of the month. In other words, the share prices made a solo advance in the absence of any notable increment in dealings. It is noted in this connection that the soaring of share quotations in January, although quick-paced, was not necessarily based on a sufficiently sound keynote. For instance, the initiative in the January price hike at the Tokyo Securities Exchange was taken mostly by scarce stocks with blue-chip shares remaining conservatively in the background. Taking the 225 pivots which form the basis of the Dow-Jones average, only 42 issues which are generally termed "internationally known" scarce shares such as Ajinomoto, Nippon Toki, Fuji Electric, Matsushita Electric, Mitsui Bussan, Mitsubishi Shoji and Tokyo Marine & Fire made more than 100% recoveries in January of what they had lost in December. Outside the list of the 225 pivots, such scarce shares like Taisei Construction, Nippon Hodo, Sony, Nippon Columbia, and Honda Giken renewed peaks in January. In contrast, gilt-edged stocks such as Yawata Iron & Steel, Fuji Iron & Steel, Nippon Kokan, Toyo Spinning, Kanegafuchi Spinning, and some leading textiles and papers dived to new lows, while fisheries, minings and shippings were slow and tardy in recoveries.

Investment Trust :—With the stock market subject to notable transmutations from December through January, investment trust business continued to fare well with the volume of new establishments in January totalling ¥22,662 million, as compared with December's ¥22,634 million. The increase was solely attributable to closed-end type transactions as open-end type dealings dwindled in January.

Boosted Capital Payments:—Another noteworthy feature of the stock market in January was the new peak noted in the volume of increased capital share payments. Boosted capital share payments in January totalled ¥65,365 million, as compared with the calendar 1959 total of ¥175,603 million. With such payments estimated comfortably large (although not equal in size to January's) in February

and March, the total of increased capital share payments in the first quarter of calendar 1960 will reach some ¥134,470 million. The impact of such capital expansions on the stock market, however, will be negligible, as all the companies involved demand larger funds through expansion to cope with increasing profits.

Transitions of Week-End Stock Prices

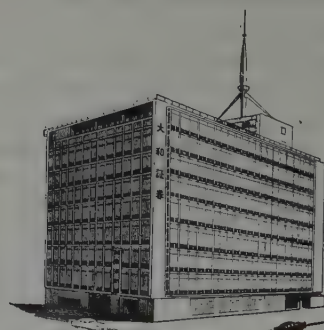
(Old Dow-Jones Average)

	December			January				February	
	19th	26th	28th	9th	16th	23rd	30th	6th	13rd
Average of 225 Pivots	876.17	880.83	874.88	912.30	935.89	954.24	957.13	968.57	987.92
Fisheries	180.82	177.44	175.76	179.97	185.06	179.97	173.23	168.99	162.24
Mining	393.72	394.89	387.63	410.18	408.28	425.87	412.47	403.32	396.01
Foodstuffs	1,885.29	1,897.11	1,902.44	1,932.78	1,958.27	2,035.69	2,081.88	2,126.78	2,176.45
Textiles	637.22	635.17	627.92	632.31	635.22	633.23	610.75	607.99	603.75
Paper, Pulp	855.73	852.02	842.39	845.35	869.22	849.82	816.52	798.70	761.55
Chemicals	490.93	490.18	488.38	512.21	536.33	538.88	527.87	526.21	520.34
Petroleum, Coal Products . . .	2,298.14	2,322.27	2,305.42	2,412.60	2,494.99	2,457.82	2,471.08	2,433.90	2,396.62
Glass, Clay, Stone Products . .	1,739.46	1,773.13	1,751.16	1,846.33	1,892.48	1,919.45	2,035.78	2,001.55	2,098.21
Primary Metals	307.16	301.36	296.52	320.02	325.30	328.94	319.26	321.64	323.47
Machinery	644.80	641.40	625.36	672.02	691.95	719.63	706.64	739.32	749.20
Electric Machines, Tools . . .	847.35	843.68	837.31	896.94	936.81	976.01	977.36	1,001.14	1,029.62
Transportation Machinery . .	513.44	524.60	519.17	552.94	566.84	575.29	552.94	564.61	588.97
Precision Machines	622.76	634.20	627.84	673.61	719.35	730.79	723.17	711.72	738.42
Other Manufactures	1,270.91	1,298.66	1,278.08	1,305.84	1,316.55	1,337.41	1,361.44	1,528.67	1,651.91
Commerce	1,566.11	1,633.93	1,634.89	1,695.22	1,770.62	1,825.21	1,805.55	1,865.14	1,896.30
Banking, Insurance	673.12	690.99	694.91	712.78	746.48	737.66	732.93	731.30	736.85
Real Estate	2,541.28	2,507.44	2,202.29	2,741.59	2,796.21	3,136.94	3,169.13	3,092.74	3,233.16
Land Transportation	508.48	508.92	509.81	522.89	539.07	551.91	679.10	699.04	751.31
Ocean Shipping	190.20	194.67	192.21	213.35	218.23	209.69	201.15	201.15	195.47
Warehousing	1,135.35	1,109.03	1,118.93	1,118.93	1,125.53	1,118.93	1,161.68	1,141.95	1,184.70
Electricity, Gas	238.13	237.60	242.06	236.91	236.91	235.73	236.00	231.32	230.06
Services	444.80	442.28	445.56	439.52	443.03	443.55	429.94	431.71	443.92

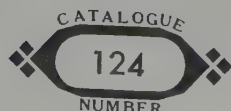
Note: Stocks listed with the Tokyo Securities Exchange.
Source: Tokyo Securities Exchange.

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Business Boom, New Style

THE fear of an overheating of business activity, widely prevalent in both government and private circles up to yearend 1959, appears to have subsided since the start of the new year. Expansion of Bank of Japan note issue toward the end of the year was smaller than had been anticipated, while subsequent flow back from circulation has been unexpectedly good. Consequently, even those who had criticized as lukewarm the Bank of Japan's upward revision of its official discount rate on December 2 now appear to be leaning toward the stand that there is no need for further positive curbing of credit.

Boom Without Price Rise

Nevertheless, there continues to remain in certain quarters a deeprooted fear of overheating. Even where fear has been dispelled a certain amount of anxiety persists. The officials in charge at the Bank of Japan point to the fact that at yearend the loan accommodations made to the city banks came to a much bigger figure than had been anticipated; while, according to President Hori of the Japan Bankers' Association, the danger of overheating has not by any means been removed. The sentiment prevalent among businessmen and industrialists, though somewhat different, does not indicate positive denial of the possibility of inflationary pressures.

It goes without saying that business activity is often affected by unforeseeable shifts in the situation. The Korean War, the Suez crisis, and other international events of major proportions inevitably make their effect felt on business, but even domestic occurrences like the steel strike in the United States can cause worldwide repercussions. Consequently, prognosis is no easy matter. But apart from the truly unpredictable conditions it can be said at this time that there now lurks no factor likely to cause an overheating of the current business boom. Another point calling for consideration is the fact that the boom being enjoyed in Japan today is of a type quite unlike any encountered heretofore.

Proof is offered by what has actually happened. Despite unprecedented speed indicated by recovery of production the rise of prices has been extremely small. According to the wholesale price index figures published by the Bank of Japan there was a rise of only 5 percent in the

fourteen months ended with December 1959, while during the same time mining and manufacturing production went up 31 percent. Moreover the 5-percent rise in wholesale prices followed upon a decline of 9.4 percent which occurred during the twenty-one months ended with October 1958. So the price movement was more in the nature of a corrective adjustment.

Heretofore, a feature of Japanese price movements was the notable ups and downs as compared to overseas prices. This characteristic appears to be waning significantly.

Such stabilization of commodity prices could, it is true, be taken as a portent of future rise of considerable magnitude. No doubt this is the reasoning followed by those warning against overheating of the boom. They probably feel that with additional investment in plant and equipment there will be a sharp rise in consumption which will cause shortages and resultant climb of prices. Such reasoning has no basis in actuality.

Shortages Unforeseeable

The view that there will occur shortages in the supply of goods if matters are left as they now stand overlooks at least two important points. The first of these is the fact that the heavy investment in equipment undertaken to date will begin to bear fruit. Investment in plant not only did not slacken during the recession which set in from mid-1957, but was boosted notably during fiscal 1959-60. According to the Ministry of International Trade and Industry the level of investment in plant undertaken by the major industries in fiscal 1959-60 stood at 34.8 percent higher than that of fiscal 1958-59. The bulk of this gain occurred in the second half of fiscal 1959-60. So the real gain, taking the first half for comparison, is closer to 12.4 percent. Plant and equipment for which funds were appropriated in fiscal 1959-60 can be expected to go into productive operation only later than yearend 1960. But since much of the investment undertaken in fiscal 1959-60 was a revival of what could not be done because of the curbs on credit imposed from mid-1957 or thereabouts, there was relatively little of such time-consuming procedures as starting out from purchase of site. Consequently, operation will probably be sooner than can be normally expected.

The second point is in reference to the effects of Typhoon Ise Bay. The direct damage caused by this big storm appears to be smaller than that indicated by initial estimates. Restoration of production in typhoon-stricken industrial plants was far more rapid than had been expected. Nevertheless, the indirect, psychological effect on the Japanese economy was by no means small. It was possible to keep prices in general from shooting up; but certain building materials prices zoomed, and wages were also boosted. Another after-effect of the destruction was the tendency of manufacturers in general to look forward

Price and Production Movements

(percentages)

Commodity Prices Production

Jan. 1952 (A)		—	—
Dec. 1952 (B)	B/A	↗ 5.3	↗13.1
Feb. 1954 (C)	C/B	↗ 6.3	↗26.8
Jun. 1955 (D)	D/C	↗ 7.1	↗ 4.7
Jan. 1957 (E)	E/D	↗10.7	↗40.5
Oct. 1958 (F)	F/E	↗ 9.4	↗10.1
Dec. 1959 (G)	G/F	↗ 5.0	↗31.0*

Notes: "Commodity Prices"—Bank of Japan Wholesale Price Index

"Production"—Ministry of International Trade and Industry Mining and Manufacturing Index (adjusted for seasonal fluctuations)

Month and Year indicate peaks and vales of price movement

* November figure used

to heavier demand for products. It is difficult to gauge the speculative production undertaken elsewhere as a result of disruption of operations by the typhoon. It is certain, however, than production activity was higher than it would have been, had there been no typhoon disaster.

The two points cited above are no mere conjectures. They are actual facts borne out by the recent steadying of commodity prices, and by the easing of the supply of such key items as textiles, steel products, paper, and pulp.

The situation therefore belies the conventional theory that the business cycle must always be accompanied by rising prices and overheating. A change has occurred in the manner the business cycle is manifested because the economic base has been strengthened and normalcy has been regained, and because foreign exchange reserves have been built up to the point where immediate concern about the ability to settle can be dispensed with. It does not mean, nevertheless, that business cycles have lost their significance. Fiscal and credit measures will continue to be of utmost importance as the means for adjusting activities to weather the ups and downs. It can, however, be said that we need no longer live in constant dread of inflationary rises of prices.

Effects of Trade Liberalization

The observations made above have centered mainly around the internal economic situation. The question remains of whether or not there remain external factors that could lead to overheating. There certainly exist some problems, but worry seems to be unwarranted.

The United States is moving confidently into the "golden sixties," while the United Kingdom, after a record boost of production in 1959, is also looking forward to a prosperous year. Britain managed in 1959 to increase production in a big way without a rise in prices, and her payments position has been vastly improved. The problem, this year, is how to keep the price level at bay.

If world business, exemplified by the United States and Britain, picks up further momentum to near bursting point Japan's export sales will zoom and there will arise the danger of speculative purchases of supplies from abroad. However, because the price rise in both the United States and Britain has been slight even during boom periods, the present world trend appears sound, while President Eisenhower's budget proposal for a surplus of \$4,200 million is a drastic shift toward suppression of creeping inflation. Britain, doubtless, will also take action to prevent a price rise.

"The Economist" of London is advocating the lowering of tariffs to prevent excessive expansion of certain "boom" industries. All in all, it can be concluded that prices in the United States and Britain will not rise inordinately even though production and trade both show continued growth.

Another notable circumstance in the case of Japan is the fact that from this year positive steps will be taken toward liberalization of trade and exchange. Decontrol of raw cotton and wool imports has been postponed to early next year, while liberalization of exchange will be restricted to those sectors unlikely to cause ill-effects. Consequently, the proposed action cannot, even by a stretch of the imagination, be likened to the lifting of the gold embargo which occurred in 1930.

However, even though liberalization during 1960 may be slight, it is certain that the basic trend is toward freer trade and exchange. If the rise of domestic prices tend to rise liberalization will be facilitated; and once the degree of artificial control over trade and exchange is diminished it will be possible to banish the fear that domestic prices may rise to higher than world levels.

The true significance of trade and exchange liberalization lies in the fact that by so doing it will be possible to pursue rational economic policies. If at the same time the easing of controls will serve to repress overheating of business activity, the advantage will be two-fold.

Joint Enterprise Corporations

THERE has been mounting eagerness among United States interests to invest in Japan since the Business International round-table conference in Tokyo last November. However, even prior to that event there was a notable increase in foreign investment activity in 1959, particularly in connection with corporate shares. Consequently, the stock market is paying close attention to foreign-owned and joint-enterprise corporations.

Rise of Foreign Investments in Japan

As a result of the open-door policy strongly advocated by the United States business executives attending the Business International round-table held last November in Tokyo there has been a notable warming up of interest abroad in Japanese industry. Moreover, since there were moves by the Japanese Government from last autumn

toward easing of the restrictions on trade and foreign exchange, the stock market has come to focus attention upon the so-called international operations in Japanese industry.

However, when a closer look is taken at the situation, it becomes clear that even prior to the Business International round-table there was a marked rise of investments in Japan. Among these, stock investments by foreign corporations and individuals during the first nine months of fiscal 1959-60 (April 1959 through March 1960) were up at nearly double the level of the same period of 1958.

According to studies made by the authorities concerned, foreign investments in Japan during the nine months from April 1 through December 31, 1959 totalled some \$775 million (approximately ¥280,000 million). Of this amount \$680 million (88 percent) comprised loans from the Inter-

national Reconstruction and Development Bank (World Bank), the Export-Import Bank of Washington, and private United States banks and corporations, while stock investments by foreign investors came to \$92 million (approximately ¥33,100 million).

Stock investments by foreign interests in Japanese industry during the past decade or so have been as shown in Table 1.

1. Stock Investments by Foreign Investors

(In \$1,000)

Fiscal		Yen Equivalent (in ¥ million)
1951-52	13,320	4,795
1952-53	10,120	3,643
1953-54	5,000	1,800
1954-55	3,970	1,429
1955-56	5,100	1,836
1956-57	9,520	3,427
1957-58	11,490	4,136
1958-59	11,350	4,086
1959-60*	18,990	6,836

Note: * Nine months ended with December 1959.

Although from 1956 through 1958 there was no sharp increase, the first nine months of fiscal 1959-60 saw a gain of 170 percent, or 230 percent per annum.

Another thing that must not be overlooked is the fact that after fiscal 1956, particularly in fiscal 1958-59 and 1959-60, there was notable increase in open-market purchases of Japanese corporate shares by foreigners.

Tokyo Shibaura Electric's biggest foreign shareholder and licensor, International General Electric Company made big purchases of Toshiba shares around last summer in this way, while when Toshiba offered new shares for a ¥10,000 million increase in capital early this year (payment January 14), IGE reportedly asked for 20 million shares out of the block offered to the public in addition to its own allocation as holder of old shares.

In the technological tie-up between Nihon Denso (automotive parts and accessories) and Robert Bosche of West Germany, the latter while owning 800,000 shares bought Nihon Denso on the open market to increase its holdings to 25 percent of the total shares outstanding.

Background Situation Behind Interest in Japan

The upsurge of eagerness to invest in Japanese industry is due to several factors among which the most important are the diminution of international tension, and the general betterment of economic conditions in most countries abroad. This has resulted in the increasing interest, on the part of the United States public, in overseas investment. Vice President Wilbur C. DuBois and Mr. Arthur L. Wadsworth of Dillon, Read & Co., Inc., leading investment bankers, have recently cited the following points:

1. In line with the general tendency toward liberalization of trade and foreign exchange, the desire to invest abroad has become stronger in many countries.

2. Recently, the progress made by Japan in the direction of decontrol of trade and exchange has been notable, and since July 1959 the Japanese Government has been authorizing investment in Japan on the basis of the Foreign Trade and Exchange Control Law in order to ease the restrictions imposed by the Foreign Investment Law. (Homeward remittance of initial payment, interest and dividend, however, are contingent, in this case, upon the balance of payments situation.) The first cases to which

this new approach has been applied are that of the recapitalization of Nippon Sekiyu Seisei K.K. (with the parent companies Japan Oil and Caltex paying for new shares on a fifty-fifty basis), and the acquisition by foreign interests of a big percentage of the shares of Nishi Nippon Seiko K.K. (a subsidiary of Nippon Seiko K.K. manufacturer of the NSK bearings).

3. With decontrol of a portion of the non-resident yen account in Japan, expectations are that complete decontrol

2. Stock-holdings by Foreigners (by companies)

Name of Company	No. of Stock- holders	No. of Stocks Held (In 1,000)	Per- centages
Toyo Koatsu	150	459	0.3
Shin-Nippon Chisso Hiryo	63	225	0.4
Sumitomo Chemical	182	543	0.3
Ishihara Sangyo	14	799	2.3
Nissan Chemical	221	477	1.1
Mitsui Chemical	71	256	0.4
Mitsubishi Kasei	99	459	0.4
Dainippon Celluloid	51	358	0.6
Milke Gosei Chemical	13	59	0.6
Chugai Pharmaceutical	79	839	2.3
Daiichi Pharmaceutical	10	38	0.3
Takeda Pharmaceutical	138	325	0.5
Shionogi Pharmaceutical	31	416	1.4
Sankyo	44	201	0.8
Nippon Suisan	61	358	0.3
Taito	172	34	0.3
Meiji Sugar	271	55	0.6
Dainippon Sugar	213	54	0.4
Nihon Nosan Kako	13	34	0.6
Takara Shuzo	64	210	0.3
Toyo Rayon	385	3,480	1.5
Teikoku Rayon	74	240	0.2
Mitsubishi Rayon	72	438	0.9
Toho Rayon	24	68	0.2
Asahi Kasei	87	774	1.6
Naigai Amimono	3	1,457	15.2
Nihon Cement	305	799	0.8
Onoda Cement	287	711	0.5
Canon Camera	28	122	0.4
Nihon Kogaku	53	114	1.1
Mitsui Bussan	81	1,736	1.0
Mitsubishi Shoji	77	525	0.5

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3. Stock-holdings by Foreigners (by industries)

Industries	No. of Stockholders (In 1,000)	Total Stocks of the industries	Percentages
Foodstuffs	1,325	755,580	0.18
Textiles	1,945	577,867	0.34
Spinning	1,896	574,720	0.33
Paper & Pulp	758	585,812	0.13
Chemicals	6,712	1,125,451	0.60
Fertilizers	2,464	845,431	0.29
Chemical Fibers	5,692	508,483	1.00
Petroleum	129,441	527,567	24.53
Rubber	14,136	90,200	15.67
Ceramics	9,381	643,874	1.46
Iron & Steel	8,042	2,590,634	0.31
Non-ferrous Metals	42,041	459,820	9.14
Machinery	230	414,850	0.06
Electric Machinery	66,583	1,788,620	3.72
Transportation Equipment	2,632	784,476	0.33
Shipbuilding	3,754	1,060,000	0.35
Measuring Instruments	4,178	155,253	2.69
Others	147	41,200	

Note: Ministry of Finance for all tables.

will soon be effected, and this has led to more investment by foreign interests.

Investment Trends

In what categories of industry are these investments by foreign interests tending to be concentrated? According to the annual survey undertaken by the Ministry of Finance of companies listed on the securities exchanges and of companies operating with capital of not less than ¥50 million, the results are as shown in Table 3. Investment in the petroleum industry is overwhelmingly the highest, while the amounts invested rank in the following order: electrical equipment and appliances, non-ferrous metals, rubber, chemicals, ceramics and glass, transportation, iron and steel, and measuring instruments.

By individual companies, there are more than 40 corporations, such as Toa Nenryo Kogyo, Mitsubishi Oil, Koa Oil, and Nippon Light Metal, which are more than 50-

percent owned by foreign interests, while there are altogether about 200 companies with foreign participation. The percentage of foreign ownership of stock tends to be high in such classifications as chemicals, pharmaceuticals, textiles, and foods. It is expected that with liberalization of exchange restrictions foreign investors will turn initially to these enterprises with foreign participation.

As for recent trends, there is the instance of the Ford Motor Company's interest in Japan. When in January 1959 Ford's International Division Chief visited Japan, he is said to have sounded out Toyota Motor President Ishida in connection with the possibility of buying Toyota shares. The proposal was that Toyota utilize Ford's distributor network in the United States for sale of the Toyopet and other cars, while Ford and Toyota would jointly operate an assembly plant in Japan for making Ford cars for sale in the Far East. The rumor that Ford would be buying 3 million shares of Toyota stock were promptly denied by both Ford and Toyota; but it is certain that Ford has been planning on operating in this part of the world.

Another interesting point is that the DuPont company, heretofore rather cool about joint ventures in Japan, has begun to look into the possibilities, and is reportedly planning on the formation of a joint company with Showa Denko K. K. for the production of neoprene, a synthetic rubber product. DuPont is also reportedly negotiating with Toa Gosei and others for jointly owned company for the production of polyethylene products under DuPont license. It is notable that DuPont is seeking at least 50-percent participation.

Overstress on Government Subsidies

WHILE there is mounting criticism in regard to waste of the taxpayer's hard-earned money, various questionable points have been brought to light in connection with the policy for government subsidies. Although it is recognized that wasteful practices exist under the subsidy system, very little has been done to reduce subsidy grants, and the trend continues to be toward increase year by year.

The total amount in Treasury subsidies during fiscal 1959-60, including government share of costs, grants, and other monetary aid, came to ¥384,700 million. When to this is added the ¥248,600 million in grants to local governments, the outgo mounts to ¥633,300 million, more than 45 percent of the total general account expenditures at ¥1,419,200 million. This huge sum of money is scattered under one name or another among the local governments.

Waste in Public Works Expenditures

The National Audit Bureau has since quite a while back been making investigations into various works and projects subsidized by the state. Because an astonishing number of cases were discovered of mismanagement of

funds, the Bureau has made it a practice to make public each fiscal year the incidents that have come to light. According to these annual reports, there were, a few years back when mismanagement was rife, as many as 2,200 cases of irregularities, among which those involving central government subsidies numbered more than 1,200.

Particularly bad both in number of cases and the amounts involved were the public works projects such as the land improvement works of the Ministry of Agriculture and Forestry, the disaster relief and rehabilitation projects of the same ministry, the riparian and highway reconstruction works, and the waterways improvement and sand dunes prevention projects of the Ministry of Construction, and the port and harborworks repair and improvement projects of the Ministry of Transportation. The Ministry of Agriculture and Forestry was particularly bad.

It was an intolerable state of affairs to see huge amounts from tax payments squandered in the form of subsidies on such things as dishonest repair works, fictitious projects, extra work carried out in the name of authentic rehabilitation jobs, and duplications of subsidy grants through simultaneous appropriation by different

ministries. Further, it was revealed that in many cases the local body concerned failed or was unable to pay its share of the costs.

The result of all this was that in the summer of 1955 there was enacted the Law Concerning Rectification of Subsidies which contained penalty clauses for mismanagement and malfeasance; and with this legislation acting as a deterrent there was, according to the Audit Bureau report for fiscal 1958-59, a sharp reduction of irregularities. Cases involving state subsidies declined to only 107. Of these 39 were under the jurisdiction of the Ministry of Agriculture and Forestry, while 12 were under the Ministry of Construction. This is quite an improvement, but unqualified rejoicing is not in order.

Since, of the total number of irregularities at 355 cases, close on 30 percent have to do with state subsidies, the Audit Bureau report makes the following comment: "Although there was considerable improvement in the accounting for subsidies due to better supervision and guidance offered by the offices and agencies in charge there still remain cases of improper or inadequate planning for subsidized projects, poor workmanship, shortages of quantity delivered, failures of the local body to pay their share of the costs, and the inclusion in the final accounting of unauthorized work."

Regulation by Means of Subsidies Rectification Law

Irregularities in subsidies other than those for public works have been uncovered in 16 cases under the Welfare Ministry for health centers, epidemics prevention and waterworks projects, and in 27 other cases under the Ministry of Labor and other government offices. These have to do with unemployment relief measures.

It appears, also that quite a number of irregularities have occurred in connection with Farm Mutual Aid Insurance payments which are made out of the Farm Mutual Aid Insurance special account of the Ministry of Agriculture and Forestry. Flagrant instances have been discovered of relief grants even where no decline in rice or wheat crops has occurred, with the money diverted to unlawful use.

In the case of subsidies other than those for public works it is usual to have no evidence remaining of the use of the funds, while there is the tendency to spread out the grants in insignificant amounts.

Irregularities in the administration and use of subsidies have thus been made public now for several years, and among them are some flagrant cases which would never be condoned in normal business relations. Nevertheless, even when anomalies are discovered and brought to light corrective action seldom goes beyond refund of a part of the subsidies paid. Indictments have been rare because the elements necessary to initiate criminal action for embezzlement or breach of faith have in most cases been lacking.

For instance, even when a fictitious disaster is cooked up for misappropriation of subsidy, it is necessary, in order to start prosecution procedures for fraud under the Criminal Code to prove that some specific party has been swindled. In actual practice it is extremely difficult to consolidate the evidence.

The aim, therefore, of the Subsidies Rectification Law is to make it clear that the malpractices previously prevalent in connection with grant and acceptance of subsidies are definitely antisocial and punishable acts, and that those responsible for granting subsidies diverted to illegal ends are also culpable. The law also prescribes the standards by which all government offices and agencies must operate in handling applications for subsidy, in investigation and reporting on the work accomplished, for action in case work is not being done in a proper manner, and for refund of subsidy.

Mention has been made of fragmentation of subsidy grants. In fiscal 1959-60 here existed 812 different categories of Treasury subsidies and grants, and of these more than 200 concern the Ministry of Agriculture and Forestry. A glance through this list of items reveals some astonishingly trivial grants.

Local Bodies Often Unable to Pay Share of Cost

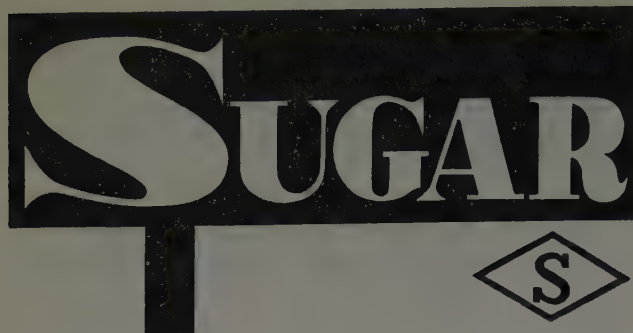
Subsidies are handled in separate budgets set up for the departments and sections in charge at the various government ministries. This segmentation continues down to the lowest municipal, township, village, and cooperative level with the amounts involved decreasing in size. Consequently, by the time the subsidy actually reaches the implementing organization the amount more often than not dwindles to insignificance, while to handle such paltry money tremendous work in bookkeeping and documentation is involved. This spreading out thin of subsidies detracts immensely from their efficacy.

There is also a notable tendency among local bodies and organizations to avoid paying their due share. In no case is a subsidized project wholly paid for by the Treasury. Yet there is a strong inclination among local bodies to try to complete the job within the subsidy amount so that there is no need for payment out of their own accounts. This is particularly notable among such small organizations as the farm cooperatives.

Managers who successfully arrange not to burden the local bodies are considered capable, and these men usually haggle with contractors to pare down the costs. It would be surprising if good work could be done at 30 to 40 percent less than the estimated cost; and to make things worse the contractors usually make money on such deals. Redress for poor workmanship is therefore generally out the question because a well executed job is not expected in the first place. Such shoddy practices result in repeated breakdowns and damage.

Another questionable practice was the assignment of projects without proper study of the ability of local bodies to pay their share. For example there was the case of a project calling for a total outlay of some ¥200 million being foisted upon a village with a population of 5,000, a total of about a thousand households, whose total payment in taxes came to but ¥7 million or thereabouts per annum. The highest of such farm improvement projects on record cost about ¥700 million for a single village. Small local bodies and cooperatives are in no position to carry out such grandiose schemes.

The Ministry of Agriculture and Forestry is not the only ministry guilty of such unrealistic planning. Recently,



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the Ministry of Labor allocated to a small village in Kochi Prefecture a reclamation project budgetted at ¥17,970,000 for unemployment relief. This village had about 20 jobless persons per day, far from enough to undertake the project. Only about 5 percent was completed, and the reclaimed land was too small to be worth considering for use.

Excessive Dependence on Subsidies

What then is the cause of this deplorable situation? Blame for poor workmanship is often laid on mistakes made at the time of the original estimate and also on haphazard planning. It is also possible that adequate supervision and acceptance inspection procedures could be lacking, while dishonest contractors are by no means scarce. The local bodies to whom subsidies are granted also could be lacking in effort to abide by the law.

But behind all this lies the fact that there is a dire lack of basic planning and control, and the inflated subsidies are being continued year after year without adequate review in respect of retrenchment. The subsidy system, therefore, is in itself the source of the trouble.

Japan's subsidies are big in number, variety and total sum, while overemphasis of subsidies has tended to grow with the years as a "democratic" way of government. Whereas only a few years ago astonishment was expressed at so many as 350 kinds of subsidies, the number has jumped in fiscal 1959-60 to 812. These subsidies form a web enmeshing practically every aspect of the people's lives.

High dependence on subsidies tends to accentuate dependence on the central government; and instead of seeking ways and means of self-help the local people first look to aid from the Treasury. This unfortunate trend is becoming stronger as time passes.

Whereas the burden of fiscal works should be apportioned to both the central government and local bodies, there is a rush to petition the government any time local difficulties are encountered; and despite complaints about tightness of local finances, the subsidized projects only add to the burden. When disaster strikes, the first impulse is not to clear away the debris and set about reconstruction, but to undertake publicity and to lobby for central government aid.

Armies of petitioners spend huge sums of money to journey up to the capital. There are lobbyists and bosses that wax fat on the plight of the needy. More often than not the money spent on such petitioning and lobbying can not be justified by the results achieved, particularly in truly efficacious remedies. Another unfortunate aspect of the situation is that subsidy grants tend to flow in the direction of strong political influence; and there exists a great deal of unfairness when judged from the standpoint of the people as a whole.

A few years ago, a certain prefecture undertook a public opinion poll on the results of some 300 subsidies received. The survey revealed the not altogether surprising fact that one-third of the projects, 100 in all, were either unsatisfactory or useless.

A thorough re-examination should be made of the method of government which continues to rely so heavily and one-sidedly on subsidies from the Treasury.

Views & Topics

Zengakuren

By Hanji Kinoshita

FOLLOWING upon the student demonstration at the National Diet on November 27, 1959, there occurred on January 16 this year the *Zengakuren* (All-Japan Federation of Autonomous Student Bodies) storming of the Tokyo International Airport at Haneda to protest against Prime Minister Kishi's departure for the United States for the signing of the United States-Japan Security Pact. These activities and clashes with the police have resulted in enormous publicity against *Zengakuren*.

Since before the war, the student movement in Japan, unlike those of French, Germany and other countries of Europe, which have always tended to be rightist and nationalistic, has leaned toward the left, and toward revolutionary thinking. The same tendency prevailed among Chinese students before the war. For instance there was in 1919 the May 4 uprising of Chinese students, while in Japan there was founded around that time the Federation of Students (F.S.), the nucleus of which was the Shinjin-kai (N.S.) of (1918) the Tokyo (Imperial) University.

The leftist, revolutionary tendency of Japanese and pre-liberation Chinese students is attributable to the social and political immaturity of prewar Japan and China. Students, as a social class, have usually be counted among the petite bourgeoisie or the middle class, and they have not been considered to harbor any strong economic demands of their own. Moreover, because of their essentially intellectual environment, actions taken as a group have tended toward idealism.

Consequently, because of the general retrogressiveness of the social situation of Japan, they belong they have been prone to take on the political duties, in part or in whole, which under normal circumstances should be the responsibility of the progressive political parties and forward-looking organized labor. Characteristically typical of the postwar student movement in Japan are the unrealistic thinking and the bent toward impulsive direct action evinced by *Zengakuren*.

Circumstances Leading to the Formation of *Zengakuren*

Formal establishment of *Zengakuren* took place in September 1948, and the motivation was the Ministry of Education announcement of October 1947 to the effect that tuition at government operated universities and colleges would increase. The Government had decided that the annual tuition of ¥600 was excessively low in the light of postwar inflation, and had suggested a threefold increase. This resulted in a flare-up of opposition throughout Japan, and the student bodies in all government (national) universities held on November 19 a meeting of some thirty of their representatives at the Tokyo University to form the All-Japan Federation of Automomous Student Bodies of State Universities (*Kokugakuren*). Then,

with this new student organization taking the lead, there was held on June 1, 1948 in Tokyo a student rally for reconstruction of education. On June 23 there occurred student strikes in 29 universities in the Tokyo area, while on the following day students at 33 universities in the Kansai, Nagoya and Hokuriku areas likewise refused to attend classes. On June 24, 43 more universities in Hokkaido, Kyushu, Shikoku, and the Tohoku area were struck: and by June 26 the strike had spread to a total of 114 State universities involving some 200,000 students.

While the students at government universities were thus organizing, the private university students, spearheaded by those at Waseda, rallied to form the All-Japan Federation of Autonomous Student Bodies of Private Universities (*Shigakuren*) (formal inauguration, September 25, 1948).

In a series of meetings held from September 18 through September 19, 1948, there was established the *Zengakuren* of latter-day fame. Participating in this federation were 300,000 students attending 145 universities and colleges, State, communal and private. *Zengakuren* publishes the "For Fatherland and Science," and as of 1959 there affiliated 110 universities and colleges, and 250 autonomous student associations with a total of 350,000 students (annual dues, ¥20 per head). This giant, nationwide organization has steadfastly professed internationalism since its start, and in order to maintain contact with student movements abroad it has joined the International Union of Students (IUS, founded 1946; organ, "World Students News"). In January 1954 it sent Committee Chairman Matsumoto to attend the executive sessions of the IUS.

The *Zengakuren*, after its inauguration, showed tremendous vitality and aggressiveness. When, on October 6, the Ministry of Education attempted to suppress student action by means of a vice minister's directive "On Political Activities by Students," *Zengakuren* promptly staged a protest rally demanding retraction of this directive; and in conjunction with the *Nikkyoso* (Japan Teachers Union) it launched a vigorous campaign opposing increase in tuition, and the new University bill. Further, in cooperation with *Zenroren* (Federation of Japan Trade Unions) *Zengakuren* protested the "red purge" instituted by the Allied Occupation by vilifying and boycotting a councillor of the Civil Information and Education Section of GHQ, SCAP. This caused Education Minister Amano to issue a statement (June 13, 1949), while on June 15, GHQ, SCAP issued a directive to the Japanese Government for action prohibiting demonstrations by *Zengakuren*. There was, as a result, issued an Education Ministry instruction prohibiting political gatherings and demonstrations by students, while Education Minister Amano again issued a statement described as "An Appeal to Students" (October 4, 1949).

There was, however, no abatement of *Zengakuren's* campaign; and at the head of any mass demonstration in those days there were to be found groups of students, day-laborers (*nikoyon*), and Koreans in concerted action. Consequently, public reaction was far from favorable, while even among former leaders of the student movement there were heard sighs for the abuse of student energy.

The pent-up energies of Japan's students exploded in the so-called Emperor incident at Kyoto University on November 12, 1951. The students surrounded the car in which the Emperor was riding to visit the University, scattered handbills bearing an "open letter of enquiry," and shouted a song in defense of peace. Such a scene of disrespect and disorder was unimaginable in prewar Japan. The embarrassed governing authorities of Kyoto University ordered immediate dissolution of the autonomous student association, while the Ministry of Education took disciplinary action by transferring the dean of the liberal-arts department to another post. These actions reflected the outmoded, prewar thinking of the Ministry of Education. In Tokyo, too, in February 1952, the students of the college of Tokyo University organized a rally in front of Shibuya Station in protest against rearmament, and collected signatures from passers-by for a manifesto against revival of the draft. Because this resulted in a major clash with the police, the incident is known as the Shibuya incident.

Zengakuren's vigor subsequently came to manifest violently in various ways, particularly in connection with opposition to the "reactionary" policies adopted by the Yoshida Government; and a culmination was seen in the bloody May Day incident at the Imperial Palace Plaza on May 1, 1952, soon after the termination of the Allied Occupation. In this clash with the police, the students were the victims of organized brute strength, and the casualties were heavy—one killed and more than 500 injured. Court trials in connection with this affair are still in progress, and in the interim there have occurred troubles in connection with perjury by police witnesses.

Features of the Student Movement in Japan

It has already been mentioned that the student movement in Japan manifests a tendency toward idealism and impulsive action; and it can be said that the actions of *Zengakuren* at the present stage combine these two facets in the highest degree.

Until January 1950, when there occurred a split of the Japan Communist Party into the "main current" and "international" factions as a result of Cominform critique the *Zengakuren* was for the most part loyal to the JCP. The revolutionary energy harbored by *Zengakuren* was willingly placed at the disposal of the Japan Communist Party. However, after the Cominform critique of the JCP, the *Zengakuren*, and particularly the Tokyo University cell of the JCP which constituted the core of *Zengakuren* leadership, began to lean toward the internationalist faction.

In more detail, it is to be noted that prior to this development the Tokyo University cell of the JCP was

ordered dissolved in December 1947 because it refused to follow the line laid down by JCP headquarters in regard to student action. This order was obeyed without protest, and re-establishment of the Tokyo University cell was permitted by headquarters in February 1948. At the time of the fission that occurred in 1950, the Tokyo University cell lent its support to the internationalist faction, and Akio Takei, chairman of *Zengakuren's* Executive Committee, and a leader of the Tokyo University cell, came up in violent opposition to the "main current" faction of the JCP. As a result of this stand, the Takei group was expelled from *Zengakuren* in June 1952. The key point of this ideological dispute was whether or not Japanese students as a "class" could participate as allies in the struggle of the "proletariat." It was contended by one side that students as a class could be considered to fall among the workers.

This dispute was intensified subsequently by the events which took place in Hungary in October 1956, following upon the criticism of Stalin sparked off by the speech of Premier Mikoyan of the U.S.S.R. in February that year. The situation in Hungary caused a wide gap to appear between the central faction of the Japan Communist Party and some intellectuals (especially the so-called salon-communists) of Japan, including the Tokyo University cell which exercised strong influence over *Zengakuren*.

Within the JCP itself, there occurred the formation, around May 1955, of the Alliance of Revolutionary Communists (*Kakukyodo*) around the "Trotskyist" group centering upon Noboru Kurihara. And the rapprochement of *Kakukyodo* and *Zengakuren* led to the so-called June 1 incident which the JCP itself has called "one of the darkest spots in JCP history." The Party delegates among *Zengakuren* leaders were told to report to JCP headquarters at Yoyogi on June 1, 1958 for a briefing to straighten out ideological differences. These student Party members, instead of listening to their elders, turned upon them, demanding the dismissal of the entire Central Committee of the JCP; and when this was refused resorted to violence, beating up the headquarters representatives. This incident is referred to with regret in an article entitled "Struggle with Trotskyist Groups in the Build-Up of the Party" appearing in the February 1960 issue of "*Zen'ei*" (Vanguard) the JCP organ. This fiasco certainly did notable damage to JCP prestige, and the result was that besides expelling Chairman Ken'ichi Kayama of *Zengakuren* and two other, JCP put thirteen other Party members on probation. Thus it was that *Zengakuren* clashed head on with the Japan Communist Party.

This came as a great surprise to the world at large, which had thought *Zengakuren* to be JCP's most faithful and active tactical force, and its most idealistic and ardent supporter. Most astonishing of all was the disclosure that the theoretical cause of the collision lay in Trotskyism.

Everyone knows that "Trotskyism" in Communist Party parlance refers to the thinking and actions of Leon Trotsky (1877-1940) who was one of Lenin's top lieutenants at the time of the October Revolution. Trotsky engaged in a bitter struggle with Stalin after the death of Lenin to win control of the Communist Party and the

U.S.S.R.; and this battle took the form of a ideological conflict between Stalin's national socialism and Trotsky's extreme left wing advocacy of the "permanent world revolution." Stalin was successful in outmaneuvering Trotsky, who in defeat went into self-imposed exile in Mexico where he was finally slaughtered by an agent of the Kremlin.

However, there remained supporters of Trotsky among communists throughout the world; and even in the U.S.S.R. the "Trotskyists" were uncovered from time to time in sensational treason trials. Support of Trotskyism tended to be strong in the Latin countries, particularly France and Spain, and with organization in tact, they countered the Kremlin's Third International with a Fourth International of their own creation, with headquarters in Paris. In France, the Trotskyists were recognized as a legal political party which entered candidates in general elections for the legislature. In the U.S.S.R. not only were the "Trotskyists" considered outlaws, but the Soviet Government, as well as the Comintern and later the Cominform, branded as "Trotskyist" any person or action running counter to the dictum of the Party leadership. In this sense, "Trotskyist" as used by the Communist Party was a foul epithet, used to signify spy, renegade, betrayer of the worker class, or "provocateur," with no connection whatsoever to the true meaning of Trotskyism as that approach advocated by Leon Trotsky. This vernacular use of "Trotskyism" came to be customary in Japan also, and the "main current" faction of the JCP invariably called all other opposing or dissident groups "Trotskyist."

However, it was found since the war that there existed in Japan, a small handful of true Trotskyists who had kept their identities carefully hidden. This revelation of a group answering to the heretofore derogatory term "Trotskyist" in a positive, self-determinist manner can be considered an unprecedented event in the history of the communist movement in Japan.

Although there is no way of quickly knowing the relationship between this group of primitive Trotskyists and the Trotskyism which grips *Zengakuren* today, it is a fact that around 1955 there was formed the *Kakukyodo*, a group with leanings toward Trotskyism; and that with the Cominform critique of the JCP, the criticism of Stalin, and the disunity spreading within JCP leadership there was created a "Trotskyist" circle among the more scholarly intellectuals in and around the Japan Communist Party. In 1957 this faction united with the Tokyo University leadership of the *Zengakuren*, and in 1958 it established relations with the student movement in the Kansai area. The periodicals published by this group are "The Communist" (Tokyo area), "Fourth International," and "World Revolution" (Kansai area). There is also a magazine called "Tankyu" (Exploratory Study). In addition to the *Zengakuren*, this group is in touch with the Alliance of Socialist Students (*Shagakudo*) and some elements of the Youth Group of the Socialist Party. A faction of the Trotskyists has formed a group which calls itself the Internationalist Communist Party which, in conjunction with some elements of the Socialist Party Youth Group, has formed the Council for Democratization of the Student

Movement (*Gakuminkyo*) (organ, "Permanent Revolution").

There is, on the other hand, a group known as the Alliance of Communists (*Kyodo*) (organ, "Communism") formed by Shigeo Shima of the Tokyo Committee of the JCP after the June 1 Incident in 1958. The reason for the existence of *Kyodo* is given as dissatisfaction at the lack of revolutionary action on the part of the so-called Trotskyists (They call themselves the "Fifth International" Against the "Fourth.")

Today, in the *Zengakuren* this *Kyodo* faction exercises the strongest influence; and although it is constantly struggling internally with such groups as the *Kakukyodo* and the *Gakuminkyo* to maintain its position as the "main current" faction and leading group, there is strong unity as Trotskyists when contending with the Yoyogi (JCP) group. Consequently, the Trotskyists now are the most powerful enemies facing the Japan Communist Party.

Kyodo refers to the JCP as the "so-called" Japan Communist Party, and proclaims itself to be the true Communist Party. It is in the paradoxical position of being both anti-Soviet and anti-Communist Party. This is puzzling at times to the layman who considers all communists to be members of the Communist Party. The anti-Communist Party stand of *Kyodo* is clarified in the preamble of its party charter. It is explicitly stated thus: "It is 'our purpose' to differentiate ourselves clearly, by both theory and organization, from the officially recognized communist leadership (Stalinist bureaucracy) which has degenerated into an opportunist organization betraying the world revolution through enforced build-up of a nationalistic socialistic structure and through pursuit of a policy of peace and co-existence; to undertake a struggle uncooperative with such 'leadership'; to strive for the worldwide organization of a new international; and to fight for the victory of the revolution of the Japanese proletariat, which shall be a part of the world revolution." It is further proclaimed that: "The Alliance is the new and true vanguard organization of the Japanese working class, which operates unequivocally on the organizational principle of democratic concentration of power." The anti-Soviet position is indicated in the draft of the *Kyodo* manifesto thus: "The proletariat of the Soviet Union are not yet completely free, neither politically nor economically. The Soviet Union today is not socialistic. It takes the petrified form of a society delayed and distorted during its transition toward socialism. The proletariat of the Soviet Union, now about to witness the worldwide destruction of the imperialistic bourgeoisie, must strike down the control exercised by the privileged bureaucracy in order to regain the political control they have lost." In the Soviet Union, "the labor, like in the class-society, is nothing but a means for living, and is subjected to severe working conditions as well as to a wage system with widely divergent levels of pay."

Against this anti-Soviet, anti-Communist Party faction known as *Kyodo*, the Japan Communist Party is pitting its organizational strength and ideological wits. In recent issues of JCP's "Zen'ei" (February 1960) and "Akahata" (January 14, 1960) united defensive action against the challenge of the Trotskyists is urged; while in January

1960 the Minato-ku committee of the JCP was expelled for deviationist leanings.

Central Committee of Zengakuren

Criticizing the Communist Parties of all nations as "conservative fence-sitters," deriding Khrushchev's peaceful co-existence overtures as "humbug," and commenting on the Eisenhower-Khrushchev talks as "ridiculous" and "no different from deals between heads of bourgeois States," *Kyodo* despite frantic opposition by the *Yoyogi* (JCP) faction continues, since the national convention of June 1959, to exercise strong hold over the "main current" faction of *Zengakuren*, and its influence pervades over virtually all student and youth groups such as the Alliance of Socialist Students (*Shagakudo*), All-Japan Group of Young Teachers, Alliance of Young Socialist Workers (*Shaseiro*), Council of Socialist Women, World Workers Movements Research Institute, All-Japan Students Federation of Social Studies, Federation of Student Settlements, All-Japan Federation of Dormitory Students, the Utagee Movement, Federation of China Study Groups, Federation of Soviet Study Groups, and the Japan Students Association.

Of the thirty students who make up the Central Executive Committee of *Zengakuren*, 17 are members of *Kyodo*, 12 are members of *Kakukyodo*, and 1 is from *Gakuminkyo*. There is no one from the *Yoyogi* (JCP) faction. The secretariat is practically monopolized by *Kyodo*. The universities under *Kyodo* control are: Tokyo, Hokkaido, Tokyo Tech., Waseda, Meiji, Kyoto, Shizuoka, Aichi, Kanazawa, and Kyushu. Under the *Kakukyodo*, likewise Trotskyist, are: Tohoku, Hosei, Hitotsubashi, and Kumamoto.

However, since summer 1959, there has been some action on the part of the anti-main-current groups. Particularly after the National Diet demonstration of November 27, 1959, and the Haneda Airport fracas of January 16, the main current faction of *Zengakuren* has been blasted repeatedly by the salvoes fired by the media of mass communication and while they have been forced into retreat under the pressure of psychological war-fare, there have appeared moves on the part of the opposition to rebuild the battered *Zengakuren*. This, in effect, is Japan Communist Party action to recover lost ground, and some people complain that it is like allowing thieves to loot in the confusion of putting out a fire. The "reconstruction" planned by the opposition is taking place at such universities as the Tokyo University of Education, Waseda (politics, economics, literature), Tokyo Metropolitan, Agriculture and Industry, Hosei (literature, sociology) Ochanomizu, Nagoya, Ritsumeikan (part), Doshisha, Kobe, Osaka Science and Arts, Etc.

Background of the Student Rioters

The blasts let loose by "public opinion" upon the "uprisings" of the *Zengakuren*, the student champion of "Trotskyism," have been truly devastating. It is not a simple matter to criticize or to comment upon the "rioters" of the *Zengakuren*. Since the Cominform critique of January 1950 laid bare the inadequacy of the Japan Com-

munist Party to maintain its ideological leadership its appeal has been lost. When the Hungarian Uprising occurred in October 1956 the JCP was again at a loss to explain matters promptly in a logical and understandable way to the progressive intellectuals of Japan. The second reason, which actually is the same as the first in reverse, is the excessive subjectiveness of Japanese students and their lack of theoretical knowledge. It has been observed that generally speaking the Japanese student of the postwar era does not direct enough effort toward study of an academic nature. It is frequently held that the *Zengakuren* students appear to be definitely lacking in their study of Marxist and Leninist theories. This is brought out by such contradictions as their "disappointment" in the Labor-Farm faction not preventing them from citing, as their most respected teachers, such men as Tsutomu Ouchi, and Kozo Uno, both mainstays of the Labor-Farm faction (December 20 issue of the *Shukan Asahi*). The *Zengakuren* student, then, presents a complex featuring adulation of Trotskyism and inability to understand the realistic actions adopted by the Soviet Union under the conditions brought about by its process of development.

The third reason is to be found in the political corruption of the conservative parties of Japan, and the ineptness of the left wing, spearheaded by the Japan Communist Party, to organize effectively the entirely justifiable disgust and anger of the younger generation. Who in his right mind, with a knowledge of the ridiculous goings on in the Diet in connection with the Vietnam reparations issue, can blame *Zengakuren* hotheads for staging a protest march into the Diet compound that same evening? *Zengakuren*, with commendable disregard for the listless "progressives", have vigorously battled, risking life and limb, for the freedom of the Japanese people in connection with such basic issues as that of the Uchinada firing range (1953) and the airbase expansion at Sunakawa (1955). Grateful toward *Zengakuren* for such positive action were the progressive political factions and intellectuals. Yet, when the same positive action was extended further to the National Diet and the airport at Haneda, the timid progressives, overcome by the adverse publicity offered by the media of mass communication, joined vociferously in the campaign against *Zengakuren*.

More recently, however, some intellectuals have come to realize that the action of *Zengakuren* must be reconsidered in a new light. They pose the question; "Should not, in all fairness, the blame for the excesses committed by the *Zengakuren* students be laid squarely on the progressive political parties for their timidity and apathy? They and the so-called intellectuals lack the will and the strength to face up to the blasts of 'public opinion.' They are cowards hiding behind the shield formed by *Zengakuren*, waiting for the storm of public disapproval to subside." In any event, the actions of *Zengakuren* will have to be judged on a fair and impartial basis.

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Labor

Miike Mine Lockout:—Worst has happened for the Miike Mine of the Mitsui Coal Mine Co. In retaliation for the intermittent strikes carried out by the unionists in protest against the management's move to rationalize the mine (e.g. to curtail personnel), the management finally resorted on January 25 to the drastic measure of lockout. This drastic move on the part of the Company, however, was not totally unexpected. Ever since November, 1959, when the mediation plan by Chairman Ichiro Nakayama of the Central Labor Mediation Board failed to satisfy both labor and management, the latter has been looking for a chance to counterattack with a lockout. According to Mr. Wakabayashi, head of the mine office in Miike, a daily 8,400-8,500 ton production is the break-even point for the mine. As the union has been carrying out an intermittent strike tactic (on Tuesdays and Fridays) ever since December, 1959 (totalling 48 hours so far), the management concluded it was wiser to lockout the mine entirely rather than continue the fight on the labor's terms.

Moreover, the experiences in the drawn-out personnel fight (continued for 113 long days) in 1953 seem to have weighted heavily in favor of a lockout. The management's line of thought seems to have run like this: If the management carry out the discharges by names, the union would surely come back with a forced entry into the mine pits. The management, then, will have an excellent excuse to resort to the drastic lockout tactics—that, if the union is left untended, the safety of the mine itself would be in danger.

The union, however, outfoxed the management. It refrained from any drastic measures attempted in the 1953 fight and quietly started on the intermittent strikes on every Tuesday and Friday, thus giving little excuse for a complete lockout. The strikes of this small scale would not tamper to heavily with the unionist's everyday life used to a modest ¥17,000 budget and leave enough wherewithal to take care of 1,277 discharges. The union, then, would be in a position to continue to fight for years, if necessary. The management, however, refusing to fight on the union's own terms, decided to carry out the lockout on the pretext of normalizing the production system and tried to squeeze the union financially. Both are now heavily locked in a ceaseless fight.

What are the cards in the hands of labor and management? The first

problem that comes out of the lockout is the coal inventory of the mine. As of February 23, the total inventory of coal at the Miike Coal Mine is 240,000 tons. If such affiliate companies as Mitsui Chemical, Miike Gosei Chemical, Toyo Koatsu, Mitsui Metal Mining, Electro-Chemical, Mitsui Salt and Kyushu Electric Power which are relying solely on Miike Mine for coal are going to be supplied as usual, the 240,000 ton inventory would be gone within three months. Special measures, then, would be mandatory if the clients are satisfactorily supplied. It is true that the remaining 17 bigger coal mine companies have decided to give a helping hand to the Mitsui Mining as the fight in the latter would very probably be a turning point for all the coal mining companies in Japan. However, the fact is that the coal production of Miike Mine accounts for as much as 5% of Japan's whole production. Therefore, it would take an unusually effective operation of other coal mines if Miike's clients are to be constantly and satisfactorily supplied for any length of time. There is comparatively little problem in the ordinary coal, as there is a big inventory at the moment. The inventory of the superior material coal, on the other hand, is by no means a very big one. The "friendship" of other coal companies, therefore, would not continue for more than two months, as far as the material coal is concerned. Mitsui would then have to make clients happy by rapidly importing coal from such countries as Australia in great quantities.

Another important question is the funds available for the striking union and the management. According to the union's report, it has already tapped Sohyo for ¥1,200 million loan. This amount is enough, so the union maintains, to keep the unionists well fed for 6 long months. The problem is that the money is not a gift but a loan and many of the striking unionists will feel it a burden to take on such a loan for a long time. To take off sharp edge from this uneasiness, the Coal Miners' Union decided to recruit ¥600 per capita per month hand-out from non-striking unionists in other coal mines (¥1,000 per capita per month for five non-striking mines of the Mitsui Coal Mining Co.). From this amount, the Coal Miners' Union is scheduled to give out per capita amount of ¥5,000 a month.

The management, on the other hand, is getting financial help from major companies under the aegis of Japan Employ-

ers' Association. The management is also getting help from such large consumers as Tokyo Gas, Yawata Iron & Steel and Fuji Iron & Steel in the form of non-reduction of coal prices. Originally, the coal price has to be cut down by ¥200-300 per ton. The Mitsui Bank and other major banks are also willing to supply "fighting funds" for the management. Financially speaking, therefore, the situation seems to be slightly in favor of the management.

Wage Increase Demands:—Sohyo's spring wage increase struggle, one of the annual event on Japan's labor scene, is now ready for rolling. As a war cry, Sohyo is putting out the following slogans. 1) Prevention of the ratification of the new Japan-U.S. Security Pact; 2) Large-scale wage increases; 3) Reduction of working hours and the real establishment of the minimum wage system; 4) Struggle against the rationalization of industries; and 5) Securing of the basic labor rights (in other words, the move for ratification of Article 87 of the ILO Convention).

Demands in the current struggle are on the average higher than the previous years. For example, All Japan Communication Workers' Union is demanding an increase of gross ¥7,000, while the Synthetic Chemical Workers Union is asking for an average ¥2,000 plus something like ¥1,000 for special appropriation. Bigger company unions in the Private Railway Workers Union are demanding at least ¥3,000 pay raise, while the unions in medium and smaller sized companies are asking for at least ¥2,000 pay boost. All-Japan Metal Industry Workers' Union, on the other hand, is demanding more than ¥3,000 pay hike; Iron & Steel workers, ¥2,000; electric machinery workers, ¥3,000 in bigger companies and ¥2,500 in medium and smaller sized companies; and port-&-harbor workers, from ¥4,000 to ¥5,000. These figures are mostly some ¥1,000 bigger than the previous year's demands.

One feature of the current spring offensive by Sohyo is the absence of the so-called schedule struggles which the giant labor organization had so persistently followed for the past seasons. At the start of the offensive, Sohyo announced that, instead of following the rigidly pre-decided struggle schedules, it would doggedly challenge the management until the latter swallows the labor's demand in whole however long the struggles prolong. This strategic about-face of the giant labor organization is being watched with great interest by all those concerned.

Foreign Trade

In January, this year, exports totalled \$218 million, or nearly one half of \$394 million in the previous month; and imports \$330 million, or off 11% from \$373 million a month ago, according to the Finance Ministry's customs clearance survey. As the result, the adverse balance came at \$113 million. It was in August, 1957, that the red ink balance topped the \$100 million mark last time.

International Balance Worsening

Finance Ministry authorities hope, however, that international trade will continue growing in both ways on a well-balanced basis. As reasons for such optimism are mentioned the following factors: i. e. 1) foreign dealings, particularly outgoing shipments, usually shrink sharply in January, so there is no need of apprehension, and 2) compared with January, 1959, the afore-mentioned figure for purchases indeed showed a steep gain of 37%, but that for sales also was up 24%.

Bank of Japan experts, on the other hand, appear to take a far more cautious stand about trade outlook and the international payments position. They place emphasis on the following prospects:

1) In 1959, foreign currency reserves increased by \$460 million, and the year-end balance exceeded \$1,300 million. But the increase of foreign currency reserves in January, this year, was not more than \$6 million. This was ascribed to such specific factors as the seasonal shrinkage of exports in January, the payment of interest on foreign bonds, the marked decrease of U.S. off-shore purchases and the delay in iron and steel makers' receipt of impact loans, but there can be no doubt that imports have apparently begun to register a sharp upcurve.

2) Exports will remain on a high level in all likelihood, but no hope exists that a sharper gain will be seen in exports. Indications are increasing, on the other hand, that purchases will seasonally swell for textile materials and food grains for some months to come, and that industrial materials will have to be purchased increasingly for stockpiling in line with the greater production of steel, oil products, etc.

3) Both the material markets abroad and the freight market are likely to firm up. Thus, there is every fear that the worsening of trade terms plus the liberalization of international trade will lead to a rapid increase of Japan's purchases.

4) The balance of export and import

letters of credit still remains in the black, but it must be noted that purchases without opening letters of credit have been showing a conspicuous gain since last fall. Last December, such imports accounted for about 30% of the total, and the percentage in January, this year, stood at 18%. There is every possibility that an increasing amount of purchases will be made in the future without opening letters of credit. It is feared, therefore, that several months hence the trade balance will turn from black to red, for the first time in more than two years after October, 1957.

Overseas Investments & Loans Up

Japan's investments and loans abroad in 1959 summed up to upwards of \$200 million, or much larger than those a year ago, and the year-end total curved up to nearly \$600 million, according to the Finance Ministry's survey. In addition, there were \$600 million worth of investments and loans contracted for but not implemented as of December 31, 1959. So financial activities abroad in 1960 will get brisker than ever.

Overseas investments and loans up to the end of last year are summarized as follows:

1) The year-end total came at \$593 million, of which investments in international financial organs comprised \$193 million, direct investments \$157 million and installment payment exports \$242 million.

2) Of this total, investments and loans during 1959 accounted for \$206 million compared with not more than \$81 and \$57 million, respectively, in 1958 and 1957. The substantial increase came from (a) the active offer of yen credits from the diplomatic standpoint plus the increase of installment payment exports resulting from the relaxation of the official restrictions on installment payments and from the overall boost of trade volume, and (b) the payment of increased capital to the World Bank and the International Monetary Fund.

3) Throughout 1959, 45 contracts for technical service were signed, with the number of such contracts outstanding at the year end rising to 163.

4) Classified by region, Latin America comprised the largest share of the total direct investments; and Southeast Asia took the biggest portion of the total installment payment exports. Of the \$157-million direct investments at the year end, \$51 million was for Latin America, \$23

million for Southeast Asia, and \$73 million for all other regions. Of the \$242-million installment payment exports, Southeast Asia accounted for \$64 million, Latin America \$63 million, the Middle East and the Near East \$49 million, and Liberia \$63 million.

5) Investments and loans contracted for but not implemented at the year end aggregated \$624 million, of which direct investments comprised \$20 million and installment payment exports \$604 million. The installment payment for the Usiminas Iron Works in Brazil appears to be the biggest single contract concluded last year. More than one half of these financial offerings abroad will be fulfilled within the current year.

Steps for Brisker Investments

The Government is apparently trying to put into practice a series of counter-measures for further expansion of financial activities abroad. Based upon a decision adopted at a Cabinet meeting late in January, this year, Premier Kishi has ordered the Economic Planning Agency to work out a concrete program with which the desired development of the underdeveloped countries can well be promoted in line with the Japan-US joint statement issued when the new Security Treaty was signed in Washington.

The Liberal Democratic Party's studies on the issue of a new financial institution for development of the under-developed countries appear to have made such headway that a bill about its establishment and organization, prepared by the Economic Planning Agency, will be submitted to the current Diet session. According to this measure, something like an overseas economic cooperation fund is to be created fully financed by the Government, and loans from this fund will be offered to Japanese individuals and corporations, or to foreign governments and juridical persons undertaking development works in Southeast Asia and other less-advanced regions.

The initial capital of this fund is scheduled at ¥5 billion fully paid by the Government, and loans will be offered mostly for such development projects that cannot be undertaken on a commercial basis by the Export-Import Bank of Japan. Incidentally, the Export-Import Bank has been the only financial organ ready to extend financial help for the underdeveloped countries.

Cartelization v. Free Trade

Since the Government on January 12 decided upon a basic policy for liberali-

zation of foreign trade and exchange and for the earliest possible abolition of all the import restrictions (see this column in the February issue), business circles have been cudgeling their brains more energetically than ever about how to cope with the worldwide liberalization. Textile interests, first of all, have long been studying counter-measures against the free imports of cotton and wool, and a special committee has been set up for this purpose. Similar organs have been established one after another in such industries as auto making, industrial machinery, pulp, iron and steel, chemicals, non-ferrous metals, petroleum, shipbuilding and foreign trade. The National Federation of Economic Organizations, the Keizai Doyu Kai and the Japan Chamber of Commerce and Industry have also created their own committees on "liberalization counter-measures".

Among various steps proposed and discussed in business circles, the most important appears to be the organization of stronger cartels, which are to take the place of material import control. Iron and steel makers, for instance, are trying hard to bolster their material purchase cartel and thereby to keep practically intact the effects of import control though scrap iron purchases are set free legally as from April, 1960. In order to forestall the possible collapse of their production curtailment system after the liberalization of cotton and wool imports (as from April, this year), textile interests are planning to strengthen their autonomous control on equipment and production. In both cases, utmost efforts are being pushed to replace foreign trade control by cartelization and thereby to maintain industrial order after the trade liberalization.

In those industries where international rivalry certainly will get hotter than ever at home due to the free imports of foreign products, on the other hand, nothing is more urgent than to cut off production cost and thereby to foster competitive power. In this light, auto makers are clamoring for the reduction of money rates and the shorter term of depreciation after the restoration of free trade.

In view of these moves in industry, the Ministry of International Trade & Industry are reportedly blueprinting a series of legislative measures for adjustment of the industrial system at home along with the liberalization of trade and exchange. Cartelization is one of the measures they are studying. As it takes longer time to revise the Anti-monopoly Law and the Export and Import Transactions Law, preparations are stepped up for separate cartel regulations for major industries. For instance, the Textile Equipment Provisional Measures Law will be amended so that production adjustment may effectively be maintained in the textile industry even after the abolition of the restrictions on cotton and wool imports; and a new law for stabilization of the hide and leather industry will be promulgated. In the petroleum and other indu-

stries, indications are that legal steps will be taken for adjustment or control after trade is made free.

For cultivation of international competitive power through cost reduction, MITI authorities are planning to take a legislative step for lighter taxation.

Liberalization of Foreign Exchange

Liberalization of foreign exchange had been lagging behind that of international trade, but various measures were put into practice in February for freer exchange. Based upon the January 14 decision to liberalize markedly invisible trade payments in the foreign exchange budget from October, 1959, through March, 1960, the Ministry of International Trade & Industry on February 3 announced to relax the restrictions on freight and other payments (effective as from February 15); and the Ministry of Finance on the following day, to soften the restrictions upon overseas travel and to liberalize the dividend remittance, etc. (effective as from February 8).

MITI's measure is intended to simplify the procedures necessary for the payment of freight for exports and imports, insurance premiums, tender guarantees, etc.

The Finance Ministry's measure is designed for wider application: In addition to the mitigation of the restrictions on travel expenses and funds necessary for overseas offices and to the complete liberalization of sundry remittances (monetary presents, donations, etc.), (a) dividends accruing from the stock shares obtained by non-resident foreigners before the war can be remitted abroad if necessary documents are submitted to a foreign exchange bank within three months after their payment, (b) both capital and interest of national and local yen bonds can also be remitted freely under the same conditions, and (c) dividends accruing from stock shares owned by foreigners and royalties on technical services, authorized by the Finance Minister, which could not be remitted abroad without the same Minister's license, can be remitted through a simple procedure at any foreign exchange bank just as is the case with foreign capital introduced under the Foreign capital Law.

The Finance Ministry on February 10 announced to create a new system for centralization of trading houses' foreign exchange holdings (effective as from April 1). Traders have so far been under obligation to sell all the foreign funds available from exports to and to buy all the foreign funds necessary for imports and other payments from foreign exchange banks. Under the new system, however, they will be allowed to hold foreign exchange within fixed limits and to use foreign funds available from export trade and other activities for imports and other payments: i.e. (a) trading concerns open their foreign exchange deposit accounts with authorized foreign exchange banks (including foreign banks in Japan), and their international payments and receipts are settled through these accounts, (b) foreign exchange deposits are current

deposits in US dollar or pound Sterling, and (c) foreign funds booked in these accounts need not be sold to foreign exchange banks until the end of the following ten-day period and may be married with import and other payments in the meantime, but the balance left at that time shall be sold to foreign exchange banks.

This measure enables trade houses to dispense with commission payable to foreign exchange banks. In the case of minor traders whose business is often much unbalanced or lopsided toward exports or imports, the amount of foreign exchange to be married is negligible. In other words, it will be 20-30 trading firms that will be able to enjoy the benefit of this new step.

Less Restrictions on Foreign Capital

Since International Trade & Industry Minister Ikeda's January 5 announcement for freer foreign capital activities (see this column in the February issue), MITI authorities have been studying the liberalization of capital transactions along the lines through proper revision of the Foreign Capital Law and the Foreign Exchange Control Law:

1) Relaxation of the restrictions on the introduction of foreign technique.

2) Mitigation of the restrictions upon foreign investors' acquisition of Japanese corporate bonds and loans: Foreign investors shall be authorized to buy corporate bonds or offer loans unless the money rate and other conditions hamper the sound development of domestic industry.

3) Freer acquisition of shares: The rate of foreigners' free acquisition of shares against the total shall be upped from less than 5% to less than 10% for public utilities and some key industries, from less than 8% to less than 15% for other lines, and necessary procedures for such acquisition shall be simplified so that matters may be disposed of by foreign exchange banks. The same legal procedures as ever shall be taken for greater acquisition than these limits, but the share of foreign-owned shares may be raised to 49% if no fear exists that evil repercussions will take place.

Finance Ministry authorities, however, are assuming a more cautious attitude though they also recognize the necessity of taking measures for freer foreign capital transactions. Finance Minister Sato on February 9 said before the House of Representatives:

"Liberalization measures must be taken first for regular transactions or import trade, then for capital transactions by nonresident foreigners or introduction of foreign capital, and finally for capital transactions by residents. For some time to come, steps must be stepped up for regular transactions. If recommendable effects appear in this field, then we may proceed with similar measures for capital transactions. Utmost care should be exercised as reckless measures for international capital dealings are liable to bring about far-reaching repercussions."

Glimpses of Japanese Culture

Japan as a Tourist Land

By Katsuji Yabuki

WITH the Olympics only four years ahead, Japan's tourist industry has every prospect of unprecedented development. All the Japanese organizations and individuals associated with this "invisible export" have already started their preparations



Tokyo International Airport, at Haneda, Tokyo

not to miss the golden opportunity in 1964.

There is no doubt that their idea is not based on their wishful thinking akin to "a rice-cake drawn in a picture," as their favorite proverb has it, for tourists to Japan have always been on a steady increase since World War II.

In 1959 an estimated total of 180,000 tourists came to these shores

and are supposed to have spent their money totaling 94 million dollars. These figures are a far cry from the all-time high of the prewar days, in 1936, when 42,568 tourists spent 31 million dollars. And a justifiably conservative estimate for the Olympic year is that approximately 350,000 foreign tourists will spend 200 million dollars to enjoy their travel in Japan.

There are many factors that contribute to such a yearly increase in the number of tourists to Japan. Of these, the following three seem to be most strong:

First, during the past decade or so all the major airlines of the world have been extended to Tokyo, Japan's capital,—a fact that was conspicuous for their absence before the war,—and in the near future a world-wide jet age of civil air transport will be in full swing, connecting Tokyo with the main cities of the world. Even today, regular transpolar flights are available from Europe to Tokyo (29 hours from Stockholm), and a flight over the Pacific from San Francisco to Tokyo by Pan American World Airways' jetplane is a matter of 13 hours. The result is that Japan has already become a nextdoor neighbor to Europeans and Americans.

Second, thanks to the many and varied postwar projects of international cultural exchange, Japan has become a new source of interest to a wider range of people abroad, for reborn phoenix-like from the ashes of the war, she has much to give to the world and take from it. It is noteworthy in this connection that 14 large-scale conferences and trade fairs are scheduled to be held in Japan this year, attended by thousands of representatives from almost all over the world.

Lastly, travel facilities and hotel accommodations have been remarkably improved in recent years. All the tourist resorts worthy of their names can now be reached by air, rail and bus faster and more comfortably than before, and they have better-equipped Western and Japanese-style hotels. And the Japanese traditional spirit of hospitality to foreigners has seen no change at all.

Historically, Japan's tourist industry is 67 years old. In 1893 the first organization in the country for receiving visitors from abroad was established under the name of Welcome Society. As years passed, this organization proved increasingly inadequate to meet the demands of the growing tourist movement. Consequently, with contributions from the government railways and other sources catering to travelers, the Japan Tourist Bureau, which was renamed Japan Travel Bureau in 1945, was formed in 1912. Its activities were extended year after year, and in 1927 it started tourist service for Japanese travelers as well as for foreigners.

Today, the JTB, the oldest and most experienced travel agency in Japan, has a complete network of ticket and information offices in Japan and two information-offices in the United States, in New York and Los Angeles. With its head office in Tokyo, it offers these services:

Supplying information on transportation facilities, tourist resorts, hotel accommodations and all other matters of tourist interest; making reservations and selling tickets or coupons for railways, airplanes, buses, ships and hotels; selling All-Expense Tours; selling and buying travelers' cheques in yen, US dollars and pound sterling; handling travelers' accident insurance; providing guide service for travelers from abroad; publishing and selling books on travel and culture and tourist maps in Japanese and foreign languages.

Moreover, the JTB maintains close business relations with many overseas travel agencies, carriers serving passengers to and from Japan, and the overseas offices of the Japan Tourist Association. Also, the JTB is a member of the American Society of Travel Agents, the International Federation of Travel Agencies, the Pacific Area Travel Association, the International Union of Official Travel Organizations, and a passenger sales agency of the International Air Transport Association.

The Japan Tourist Association, as referred to above, has its head office in Tokyo and four overseas offices, in New York, San Francisco, Honolulu and Toronto. The object of this association is to promote Japan's tourist industry by attracting foreign tourists to the country. To achieve this object, the JTA disseminates tourist publicity and information abroad; works for the improvement of accommodations and transportation facilities in Japan for tourists from abroad; participates in overseas fairs and exhibitions; investigates research on matters relating to the tourist business; and publishes and distributes pamphlets on tourism, or for tourist promotion.

Other organizations associated with Japan's tourist industry include the Japan Guide Association, the Japan Hotel Association, the Federation of Japanese Tourist Hotels the Japan Youth Association, the Japan Hot Spring Association, and the Japan Souvenir Association. And all these organizations are under the supervision of the Tourist Industry Bureau of the Transportation Ministry, which also plans and carries out various other administrative projects concerning the tourist industry.

Researches made by some of those travel organizations reveal a number of interesting facts. To give a few examples, the majority of the tourists said, "Kyoto," when they were asked, "Which resort did you find most attractive?" Kyoto is one of Japan's ancient capitals and is naturally rich in ancient buildings, landscape gardens and art treasures, which all combine to create a unique atmosphere peculiar to the restful and classical phase of modern Japan.

To another question, "What did you buy as a souvenir?" most tourists from the United States answered, "Pearls."



Tokyo Central Station in the business center of Japan's capital



One of the bridges to the Imperial Palace, with Tokyo's business center in the background

They must be Mikimoto pearls of the cultured variety. But many from Australia replied, "Cameras and transistor radios." Some other tourists bought stone lanterns to decorate their home gardens.

Judging from those and many other replies from the tourists, it may be safely said that they visited Japan in search of something unusual that they could hardly enjoy in their countries. Tourists, irrespective of their nationalities, seem to be similarly minded. But it merits attention that these days, unlike the prewar days, there are few tourists who are surprised to know, for example, that Japan has subways and electric trains.

This does not necessarily mean, however, that there are few tourists who are not surprised to see urban and long-distance trains reaching and leaving Tokyo Central Station at frequent intervals, always packed with passengers, who, mind you, total nearly 600,000 a day. In addition to the 90 long-distance, west-bound trains (38 expresses included) leaving Tokyo Central Station every day, there are 76 other long-distance trains (25 expresses included) leaving two other stations in the metropolis daily for other parts of the country.

Unlike in Europe and America, the railway business in Japan is not a declining one, for it is run by the government very extensively and most efficiently all over the country, and "improvement after improvement" is a watchword to all concerned. In the current year the number of regular express trains in the country is expected to be doubled, bringing the total to 1,787, and in the near future, when a new standard-gauge railroad is completed, travel time along the 553.7-kilometer main artery between Tokyo and Osaka will be cut from the present six hours and 40 minutes to three hours, or only about one hour longer than the time required today for a Japan Air Line's regular plane to cover the distance.

Among other features of Japan's railroad service is the punctuality of train schedules. In fact, though not mentioned in the timetables for the public, the schedules for the station masters are most carefully and precisely shown in hours, minutes and seconds. Suppose, therefore, that you find in your timetable a train arriving at so-and-so station at ten fifteen and leaving there at ten fifteen, and you would ask why. The answer is that the train arrives, for example, at five seconds past ten fifteen and leaves 55 seconds past ten fifteen, though the figures below minutes are all omitted in the general timetables.

As regards Western-style hotels in Japan, the Japan Hotel Association has 110 hotels as of October last year, each measuring up to world standard with all kinds of modern installations and equipments and with all kinds of excellent cuisine to be served. The total number of the rooms is nearly 8,000, or more than ten thousand beds plus approximately one thousand Japanese-style rooms, with a total capacity for nearly 15,000 persons. About ten of these hotels are now under reconstruction to have more space accommodations.

In addition to the Western-style hotels, there are tens of thousands of Japanese-style hotels which are scattered all over the country. Of these, about 800 best, which insure high standard of accommodation and cuisine, are registered with the government for foreign tourists in accordance with the Law for Improvement of International Hotel Facilities. An overnight stay at a "ryokan," as the Japanese-style hotels are called, will enable tourists to gain a glimpse of how the Japanese people live, an aspect which the majority of tourists from abroad would appreciate as an unusual but highly enjoyable experience.

Japan's motor-roads have often been criticized by visitors

from abroad, for many of them are narrower than those of Europe and America, and most of them are not paved. But it is true that most cities and principal resorts in the country have paved roads, and others are being gradually improved. For example, a five-year plan which started in 1958 is now being carried out most smoothly for the construction and reconstruction of the nation's approximately 90,000 miles of main thoroughfares with a national budget of 2,777-million dollars.

And whatever advantages and disadvantages Japan may have as a tourist land, it is sure worth a visit, for going the round of tourist resorts in the country is just like strolling in a lovely garden. It involves nothing dangerous or painstaking. Though, except in the Japan Alps and Hokkaido, there are few such sources of thrill due to scenic grandeur as are associated with the Grand Canyon, the view changes at every turn and in each season. There arises no feeling of monotony caused by overvastness of landscape such as is seen in Europe and America, or by an even temperature prevailing throughout the year.

Geographically, Japan is a volcanic country, and this feature, though often misunderstood in association with earth-quakes, is most significant in the appreciation of Japanese landscapes. In fact, almost all the national parks of Japan are more or less characterized by traces of volcanic eruptions. Among such traces are the unbroken regularity of the conic shape as is usual with active, dormant or extinct volcanoes, the serene beauty of crater lakes, commonly at a high altitude and the wisp of vapor arising from craters and hot springs.

No less important feature of Japanese landscapes is the long and indented coastline. From of old, a phrase, "Hakusha Seisho," or "White Sands and Green Pine-trees," has been a typical, and now rather hackneyed, Japanese expression in praise of beach scenery. Certain it is that this phrase is applicable to almost any beach worth mentioning in a guidebook on Japan. Further, the combination of these elements of beauty is in most cases accompanied by two other advantages—indentation of the beaches and abundance of islets close to them.

Another important element of Japanese landscapes is the ancient relics of architectural beauty which serve remarkably to enrich them in beauty and historical associations. In the most modern Tokyo, for example, the classical Imperial Palace buildings, surrounded by a series of moats, stand in striking contrast to rows of modern Western-style office buildings. Similar scenes can be seen in Kyoto and Nara, which are both fundamentally classical but are being gradually modernized without destroying the cultural heritages from the olden times.

All in all, Japan is a land of color, charm and courtesy, where the East blends with the West and the old with the new. Anywhere and everywhere in this country

there are many sorts of attractions, some appealing to the eye and the palate and others to the mind. It is indeed no exaggeration to say that Japan is a masterpiece landscape garden fashioned and tinted by the Master Craftsman of the Universe for the delight of man; a vision whose loveliness once seen never can be forgotten.

(The writer is manager, Publishing Department, Japan Travel Bureau.)



One of the "Kodama" Limited Expresses

Kaleidoscope

Plant Exports Down:—Approved actual plant exports in the calendar 1959 stood at a lowly \$257,622,000 in terms of value—far less than the goal of \$568,900,000 set at the start of the year and a gross 30% less than the achievement in 1958. According to the Ministry of International Trade and Industry, this extreme despondency in plant exports is mainly due to the inactivity in shipbuilding (less than 60% of the goal of \$235,000,000) and railway rollingstock (mere 20% of the expected goal; only \$5,910,000 in terms of value), which suffered from the worsening of foreign exchange situation in the customer countries. Industrial machinery, textile machines, electric and communications machinery fared not too poorly, while automobiles alone made a great headway sparked by the brisk exports to the U.S. The sum of \$49,000,000 of auto exports is just about the goal set at the start of the year and 13 times bigger than the previous year's achievement. The MITI is not optimistic about the future either citing the dwindling orders and references for such major plant items as ships and rolling stocks.

Utilization of Waste Pulp Liquid:—In its attempt at diversifying its business lines, Japan's pulp industry has recently been trying to utilize waste pulp liquid, so far merely cast away. The attempt actually is a two-edged boon to the industry if fully materialized. One of the good points of this plan is that it will reinforce the industry's competitive power on the international level when the liberalization of trade gets really underway. Another good point is, by using the waste pulp liquid, the problem of polluting the rivers will be largely solved. Already, three pulp companies—Sanyo Pulp, Kokusaku Pulp and Oji Paper—have succeeded in producing alcohol from the waste liquid, while Toyo Spinning Company started production of animal feeds from the same liquid. Nippon Pulp, on the other hand, succeeded in producing furfuryl-alcohol products. These and other pulp companies are now leaving no stones unturned in their trial at developing new and more profitable ways of utilizing the waste liquid.

Exports of Land Engines Brisk:—The exports of land engines, which have been steadily growing since the end of the Pacific War, finally chalked up the all-time high of 16,192 units (¥876,000,000 in terms of value) in 1959. This figure represents 60% growth in terms of units and 30% jump in terms of value over the previous year's achievement. Most of these engines are small ones with capacities under 10 h.p. By types of engines, diesels lead the way followed by water-cooled oil engines and ordinary bike engines. Especially popular among the South East Asian countries are the small diesel engines. The Land Internal Combustion Engine Association is very optimistic about the industry's future and predicts an equally brisk export year for 1960.

Milk Production All-Time High:—According to the Ministry of Agriculture & Forestry, the total milk production in the calendar 1959 stood at 1,717,400 tons—169,000 tons (10.9%) more than the previous year. Especially brisk was the growth of drinking milk, which increased by 11.5% to 853,900 tons, while such processed items as butter showed less energy with a lowly 4.7% growth.

Price of Lockheed Fighters:—After the triumvirate negotiations among the Lockheed Co., and the Governments of Japan and the United States, the final price of the Lockheed F104J fighter was decided at \$1,120,000-strong per unit (\$1,344,000-strong if the reserve accessories are included). This means that the total production cost of 200 F104J fighters would amount to \$268,900,000. Of this total, the U.S. Government is slated to take 28% of the burden, while Japan has to cover the remaining 72%. The Japanese Government has, therefore, decided to earmark in the 1960 budget plan \$193,900,000 as a "contract authorization" expense for the next five years.

Exports Allotments for Sewing Machines for Canada & U.S.:—In its attempt to ward off the excessive competition, the

Ministry of International Trade & Industry has decided to place the exports of semi-zig-zag sewing machines and automatic semi-zig-zag sewing machines on an allotment basis tentatively from February to June, 1960.

Midget Car Production All-time High:—With the permeation of prosperity into the small—and medium-sized industries, the production of small passenger car has been skyrocketing. According to the Small Car Industry Association, the production of small three-wheelers for 1959 stood at 158,042 units (60% growth over the previous year), while that of the two-wheelers stood at 880,659 units (75% increase)—both all-time highs. Especially brisk are the sales of light three-wheelers (83,239 units; 5.9 times the previous achievement) and mopeds (324,590 units; 6.4 times the 1958 achievement). Motor-cycles and motor-scooters (equipped with 50-120 cc engines) also advanced by 32% and 20% respectively. Small three-wheel trucks, on the other hand, proved to be the only loser with 12% decrease from the previous year's achievement. The reason for this decrease is the vigorous advance by the four-wheel trucks.

Crab & Lobster Catch in 1959:—The Ministry of Agriculture & Forestry published on February 6 the details of Japan's fish catches in northern waters during the year of 1959. The highlights of the reports follow: Salmon & Trout: (A) Total: 173,303 tons (85,058 tons inside the limit area); (B) Mother-ship system: 70,917 tons; (C) Drift net system: 72,215 tons (14,141 tons inside the limit area and 58,074 tons outside the limit area); (D) *Haenawa*-net system: 12,105 tons; (E) Coast fishing: 18,066 tons. Crabs: (A) Mother-ship system: 280,000 cases (9,055,000 crabs); (B) Hokkaido Coast fishing: 2,432,372 crabs. By varieties of salmon and trout, the result are as follows: (A) Pink salmon: 18,463 tons through mother-ship system; (B) White salmon: 23,787 tons through mother-ship system; 19,363 tons through drift-nets and 2,850 tons through *haenawa*-nets; (C) Trout: 25,252 tons through mother-ship system; 48,302 tons through drift-nets and 9,250 tons through *haenawa*-nets; (D) Silver and *Masunosuke* trouts: Mother-ship system: 3,415 tons.

Trade Liberalization:—The Economic Planning Agency has recently decided to draw up its own version of reports about the imminent liberalization of foreign trade and exchange during the coming March. The Agency is also asking the Ministries of Finance, International Trade & Industry, and Agriculture & Forestry to tender their versions during the same month. Making necessary adjustments from these four versions, the Agency is aiming to create the final Government version.

No. of Eligible Voters:—The total number of eligible voters as of December, 1959 stood at 53,730,794, of which 25,715,012 were male and 28,015,782 were female. The total represents a 588,667 growth over the previous year (of which some 270,000 are male and 310,000 are female).

Ratio of Budget vs. National Income:—According to the Ministry of Finance, the ratio of the general account budget scale in fiscal 1960 against the total national income stands at 15.0%, while the ratio of tax burden against the national income stands at 20.5%. Although the ratio has been on the upcurve since 1956 up to the last year (14.5% in 1956; 14.5% in 1957; 15.8% in 1958 and 15.9% in 1959), it showed a slight decline in the fiscal 1960. The vicissitude of tax burdens, on the other hand, has been as follows (figures in parentheses represent national tax): 20.4% (14.4%) in 1956; 21.2% (14.7%) in 1957; 20.5% (14.1%) in 1958; 19.9% (13.8%) in 1959 and 20.5% (14.4%) in 1960.

Vinyl Chloride Resin Production:—According to the Vinyl Chloride Association, the production of polyvinyl chloride resin made a great headway during the fiscal 1959 with the total production standing at 179,247 tons and delivery at 180,880 tons. These figures represent gross 97% and 74% increases over the previous year.

Industry

Iron and Steel

Iron and steel production in Japan registered a sharp upcurve in 1959. Compared with the monthly average of 1,010,000 mt. in 1958, crude steel output in January, 1959, rose to 1,160,000 mt. The figure increased month after month and climbed up to nearly 1,600,000 mt. in December. As the result, the annual total reached 16,629,000 mt., as shown in Table 1, or up 37.2% from a year ago, and Japan became the fifth largest steel producer in the world.

1. 1957-59 Iron and Steel Production

(In 1,000 mt.)

	1957	1958(A)	1959(B)	B/A
Blast Furnace Pig Iron . .	6,435	6,965	8,881	127.5
Crude Steel	12,570	12,118	16,615	137.1
Hot-rolled Ordinary Steel .	8,885	8,764	11,638	132.8
Rails	424	458	448	97.7
Sheet Piles	42	40	80	198.2
Shapes	1,057	831	1,298	156.1
Rim, Ring & Sash Bars . .	26	24	37	153.1
Bars	1,262	1,409	1,725	122.4
Tube Rounds	275	253	358	141.5
Wire Rods	733	851	1,168	137.2
Plates	2,366	1,763	2,267	128.6
Medium Plates	291	339	459	135.2
Sheets	641	674	651	96.6
Wide Strips	1,049	1,522	2,277	149.6
Hoops	507	458	721	157.3
Silicon Steel Sheets . . .	128	70	96	136.9
Steel Tires	83	77	55	71.2
Hot-Rolled Special Steel . .	626	507	827	163.1

Source: Japan Iron & Steel Federation.

It is to be recalled that the iron and steel industry has been making spectacular progress in this country since World War II was over. As for crude steel, the largest output before the war was 7,650,000 mt. in 1943. Due to the unexpectedly rapid recovery and accelerated construction, this prewar record was broken as early as in 1943 when production reached 7,662,000 mt., and the 1959 output turned out more than twice 1943's.

All this was ascribed, among others, to 1) the rapid industrial rehabilitation from war damages and active equipment investments in all industries, 2) the construction and expansion of roads, harbors and other facilities, and 3) the ever-growing demand for household electric appliances and other consumer durable goods. Another factor of not less importance was the ever-brisker exports of rolled steel products and steel surface craft.

In 1959, mining and manufacturing production was up 24% from a year ago, accounting for the pickup of steel requirements and the afore-mentioned boost of steel production. Also to be noted is the fact that increasing indications of inventory buying in various steel consuming industries in 1959 gave stimulus to production efforts of steel makers, whereas a year ago steel needs got slack owing to the stricter financial control by the Government and the subsequent adjustment of inventories by business firms. This was particularly the case with special steel, the production of which in 1959 increased by 63% (see Table 1).

Firmer Market But No Sharp Climb

The steel market also registered a marked rally last year, but there took place no steep price rise as seen in the 1957 boom. Reasons were twofold: namely, 1) thanks to the expansion of steel production capacity, supply did not get so short as in 1957, and 2) there was no appreciable pickup in the import cost of materials (iron ore and coking coal) because the freight market remained rather dull all the year round.

Thus, steel makers enjoyed what was called the "quantity boom". In May, 1959, they could practically put an end to the so-called "open sale system", adopted in June, 1958, as part of their anti-depression policy, and finally abandoned their joint program for production curtailment because the steel market had turned definitely firm. (Under the open sale system, the Ministry of International Trade and Industry notified the maker-by-maker production quotas and selling prices, all the makers had to announce their sales and contracts in terms of quantity, and unsold stocks were to be bought up by leading wholesalers.) Market quotations of major steel products are shown in Table 2. Prices in US currency as of February, 1960, were: \$117 for bars, \$122 for shapes, \$144 for plates, ¥161 for sheets, and \$122 for wire rods.

2. Market Quotations of Steel Products

(In ¥1,000 per mt.)

Date	Bars (19 mm)	Shapes (6×65 mm)	Plates (12×24× 3,048 mm)	Cold-rolled Sheets (0.29×914× 1,829mm)
1955 (Mar.)	37.5	39.5	45.0	—
1956 (Mar.)	44.5	45.0	57.5	—
1957 (Mar.)	64.5	71.0	88.0	—
1958 (Mar.)	35.5	36.5	42.0	60.5
1959 Mar.	40.0	42.0	49.0	62.0
Apr.	40.5	43.5	52.5	67.5
May	40.0	42.5	52.0	63.0
June	39.5	43.0	53.0	63.0
July	39.0	42.0	52.5	61.0
Aug.	40.0	42.5	53.0	61.5
Sept.	40.0	42.0	53.0	62.5
Oct.	40.0	42.0	51.0	64.0
Nov.	39.3	41.5	50.0	63.0
Dec.	38.8	40.5	49.0	63.0

Source: The National Union of Iron and Steel Wholesalers.

The briskness of steel requirements in 1959 came mainly from the increased consumption in the construction and industrial machinery industries and for fabrication of automobiles, electric machines and appliances, containers and other consumer durables. Rolled steel deliveries by industry are shown in Table 3.

3. Rolled Steel Deliveries by Industry

(In 1,000 mt.)

Industry	Oct.—Dec., 1958 (A)	Oct.—Dec., 1959 (B)	B/A
Coal Mining	23	25	108.7
Petroleum, Gas & Coke . .	7	14	200.7
Material for Secondary Products .	476	468	98.3
Iron & Steel	129	209	162.0
Shipbuilding	219	339	154.8
Machinery	264	457	173.1
Chemical	21	35	166.7
Other Mfg. Industries	72	130	180.5
Construction	184	288	156.5
Transport & Warehousing	45	61	135.6
Other Sales Businesses	491	891	181.5
Others	64	84	131.3
Total	1,993	3,001	150.6

Source: Kozai Club.

1959 Exports at 1,800,000 Mt.

Exports were as brisk as domestic sales. As listed in Table 4, the yearly total in 1959 is estimated to have reached 1,800,000 mt., or up 2% and 6%, respectively, from the preceding year. The greater gain in value than in quantity resulted from the tangible rise in export prices. For instance, the FOB price of steel bars stood at \$87-92 mt. early in 1958, but it curved upward to \$95-100 early in 1959 and to \$108-113 toward the year end.

Classified by destination, exports particularly increased to the United States: 1959 shipments totalled 645,000 mt., or a substantial gain of 66%. In contrast, sales to India declined to about one-third of the previous year's, and not a single ton was sold to China, who actively purchased

Japanese steel in the first half of 1958, for Sino-Japanese trade had been suspended as a whole. Major clients are listed in Table 4.

4. Iron and Steel Exports by Destination

	(In 1,000 mt.)	1957	1958	1959(est.)
U.S.A.		76	388	645
Brazil		21	59	140
Philippines		83	114	126
Thailand		79	122	117
India		331	302	107
Taiwan		50	88	90
Canada		35	31	65
Indonesia		27	45	60
Argentina		7	77	35
Total (incl. others)	1,057	1,837	1,800	

Source: Japan Iron and Steel Federation.

Of the total shipments in 1959, secondary products (nails, wires, etc.) comprised the biggest share of 312,000 mt., and next came galvanized iron sheets with 281,000 mt., followed by plates with 235,000 mt., bars with 180,000 mt., rails with 170,000 mt., tubes and pipes with 163,000 mt., and sheets with 130,000 mt.

Stable Material Cost & Bigger Profit

Japan has been importing the bulk of materials necessary for her steel production, so her material purchases have steadily been growing in line with the rapid expansion of steel output. Throughout 1958, steel makers pursued the policy of "eating into" their ample material stocks and holding off new purchases from abroad, so they had to boost their material imports in the following year: i.e. they bought about 3,800,000 mt. of scrap iron, or three times more than 1958's 1,300,000 mt.; 10,200,000 mt. of iron ore, or up 34%; and nearly 4,000,000 mt. of coking coal, or a gain of 26%.

As good luck would have it, the prices of these materials remained stabilized at a relatively low level throughout 1959, though the 1957 steel boom was featured by the soaring of material prices. The November 1959 prices of imported materials are compared in Table 5 with the 1957 peak and the 1958 bottom. It can be seen that the prices of imported ore and coking coal late in 1959 stood almost on the same level as the 1958 bottom, though scrap iron, both foreign and domestic, witnessed an appreciable price rise. After all, the material situation has been getting much better than in the past years.

5. Prices of Major Materials

(In \$ CIF per mt. for imported materials and in ¥1,000 per mt. for domestic scrap)

	1957 Peak	1958 Bottom	Prices in Nov., 1959
Imported Iron Ore . . .	22.73 (Aug.)	13.97 (Oct.)	14.12
Imported Coking Coal . .	30.35 (Oct.)	18.19 (Aug.)	17.66
Imported Scrap Iron . .	91.01 (Apr.)	42.76 (Oct.)	50.15
Domestic Scrap Iron . .	29.0 (Jan.)	15.3 (June)	20.0

Source: Japan Iron and Steel Federation for imported materials and Bank of Japan for domestic scrap.

Such stabilization of material prices plus the rally of iron and steel quotations and the rapid growth of production naturally resulted in the substantial improvement of business conditions for steel makers.

Rosy Outlook Stimulates Brisker Investments

The growth of the iron and steel industry, maintained at a very high mark since the war's termination, is expected to continue unabated for a long period to come. According to a forecast announced last October by the Japan Iron and Steel Federation's committee for research on iron and steel requirements, Japan's crude steel consumption at home and exports in fiscal 1970 will amount to 34,000,000 and 4,000,000 mt., respectively, with her production estimated at 38,000,000 mt. The Ministry of International Trade and Industry's "long-term iron and steel demand estimates, made public at the end of 1959,

indicate that crude steel output will increase to 24,710,000–26,560,000 mt. in fiscal 1965 and to 27,630,000–34,470,000 mt. in fiscal 1967 in proportion to the steady upcurve of requirements.

In anticipation of such brisk demand and production growth, leading steel companies are stepping up or working out their bold expansion programs. For modernization of their plants and facilities, they already invested a huge equipment fund of ¥120 billion from 1951 through 1955, and their total investments from 1956 through 1962 are scheduled at nearly ¥450 billion. Some bigger interests are further boosting in scale their expansion plans as may be noted in the year-after-year increase of equipment investments in the industry: ¥102.8 billion in fiscal 1958, ¥148.2 billion in fiscal 1959 and ¥166.3 billion in fiscal 1960 (scheduled). A grand total of long-term equipment investments by 28 iron and steel firms comes at such an enormous sum of ¥1,044 billion from fiscal 1960 through 1965.

In these investments, particular emphasis has thus far been placed, first of all, upon the modernization of roll-mills, especially strip mills. Thus, the annual capacity of hot strip mills in the whole country is expected to increase to 14,034,000 mt. in fiscal 1965 from 4,624,000 mt. in fiscal 1959. In the recent expansion programs, however, expansion of capacity as, for instance, construction of blast furnaces, is gradually carrying more weight than modernization of the existing equipment. Take blast furnaces for instance: there are now 31 units, and the number will increase to 52 in fiscal 1965 if the construction plans now under way or contemplated are all completed. In the meantime, the number of pure oxygen converters will increase from 8 to 43.

Technical Standard and Productivity Up

As the result of such rationalization efforts, Japan's iron and steel industry has successfully raised its technical standard and productivity. One of the most recommendable technical improvements attained since the war's end can be seen, above all, in the development of material treatment prior to smelting, which has greatly contributed not only to the better quality of materials used but also to the remarkable reduction of unit material requirements. The coke ratio, for example, averaged 838 kg. in 1953, but it dropped to 633 kg. in 1959.

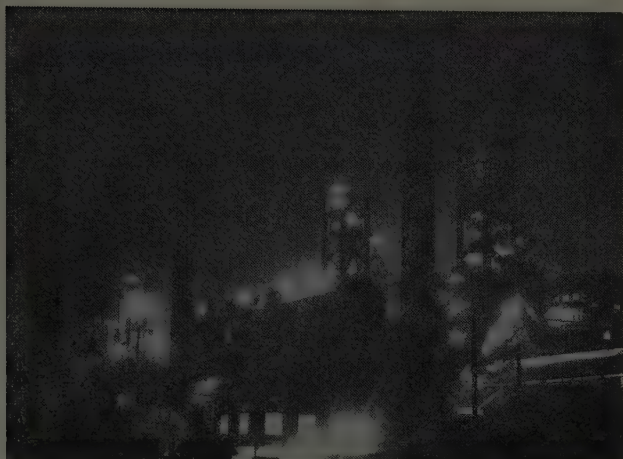
Heat control has also been improved substantially in the process of steel making. Thanks to the wider use of fuel oil, instead of coal, and the adoption of the oxygen steel making process, the average heat consumption per mt. of steel ingot declined from 1,360,000 kcal. in 1953 to 760,000 kcal. in 1959.

A notable upcurve has been seen in labor productivity. In the case of blast furnaces, man-hours per mt. (including indirect labor) decreased from 10.34 hr. in 1951 to 6.88 hr. in 1957; and in the case of open hearth furnaces, from 9.2 to 6.3 hr.

In the field of steel rolling, plants and equipment have been modernized particularly for sheets, wire rods and pipes. As for sheets, strip mills accounted for not more than 50% of the total production in 1955, but their share jumped to 74% in 1958.

The catalogue numbers of the following companies are: 113 for Yawata Iron & Steel; 114 for Fuji Iron & Steel; 115 for Nippon Kokan; 116 for Kawasaki Steel; 117 for Japan Steel Works; 118 for Nisshin Steel; 119 for Sumitomo Metal; 120 for Kobe Steel; 121 for Amagasaki Steel; 122 for Nakayama Steel and 123 for Toto Steel.

Yawata Iron & Steel Co., Ltd.



A Night View of Yawata Works

This is really the oldest and biggest iron and steel maker in Japan. Capitalized at ¥38 billion, it sells nearly ¥170 billion worth of products a year and has as many as 39,000 employees on its payroll.

The company's production scale has naturally been expanding by leaps and bounds: i.e. for pig iron from 769,000 mt. in fiscal 1950 to 2,206,000 mt. in fiscal 1958; for crude steel from 1,385,000 to 2,864,000 mt.; and for hot rolled ordinary steel from 732,000 to 2,130,000 mt. Its shares in the nation's total productions are shown in Table 1.

1. Yawata Iron & Steel's Shares in National Productions (In 1,000 mt.)

	Pig Iron	Crude Steel	Rolled Steel (ordinary)
Yawata Iron & Steel	2,206	2,864	2,130
National	7,394	12,118	8,764
Percentage (%)	29.8	23.7	24.3

In this way, the company boasts of the biggest scale in this line. Furthermore, it has been taking the initiative in all respects: i.e. 1) it has been positive in manufacturing such products that other interests dare not undertake to make, including heavy rails, silicon steel sheets, tinplates and sheet piles, and it now offers the widest variety of products among local steel makers; 2) it has always been pioneering in equipment modernization and expansion technical renovation as, for instance, in the introduction of continuous wire rod mills and the construction of pure oxygen converters; and 3) it has been lavishing efforts for development of new products: e.g. bonderized steel sheets, electrical tin plates, oriented electrical steel sheets, flat type sheet piling Z sheet piles, wide flange beams, mining beams and weldable high tension steel (WT 60).

In the semi-annual term ending with September, 1959, production totalled 1,348,000 mt. for pig iron, 1,996,000 mt. for crude steel, and 1,554,000 mt. for rolled steel, and sales amounted to ¥77,051 million with profits at ¥4,034 million (after depreciation and before tax). And the dividend was declared at 12% a year.

Of the total sales turnover in that term, domestic deliveries comprised ¥65,033 million and overseas shipments ¥12,018 million. Important export items were: rails (73,000 mt.), wire rods (38,000 mt.), tinplates (21,000 mt.), galvanized iron sheets (20,000 mt.), sheets (23,000 mt.), plates (22,000 mt.), and secondary products (24,000 mt.).

The company operates three works at Yawata, Tobata and Hikari. The Yawata Works is the biggest integrated

steel works in Japan. The Tobata Works is a plate and sheet plant, placing particular emphasis upon steel sheets, galvanized iron sheets and tinplates. The Hikari Works specializes in wire rods and high grade steel products.

From 1951 through 1955, the company implemented the first rationalization program with a total fund of ¥48.7 billion for modernization of its blast furnaces, open hearth furnaces and roll mills. Since 1956, it has been stepping up the second modernization and expansion program which will be completed in fiscal 1962 with a total fund of ¥108 billion. As part of the second program, a 1,500-ton blast furnace was kindled in September, 1959. In this manner, the company's production facilities have been, and will be, modernized remarkably. And its capacity will be expanded substantially.

In anticipation of a further pickup of steel requirements, the company has recently announced another program for rationalization, or the third one since the war's termination. The new plan is to be carried out from 1960 through 1965 with a total fund of ¥159.8 billion (excluding projects up to 1962 covered in the second program).

Highlights of the third program are: 1) expansion of the existing three works, particularly the Tobata Works where a 2,000-ton blast furnace will be built (in addition to two 1,500-ton-a-day furnaces constructed under the second program), thereby to boost the annual crude steel output there to 2,160,000 mt. a year (from not more than 290,000 mt. in fiscal 1959), and 2) construction at Sakai of a new steel plant which will turn 1,270,000 mt. of crude steel a year with two 1,800-ton-a-day blast furnaces. Upon completion of this ambitious program, the company's production in fiscal 1965 will swell to the scale as listed in Table 2.

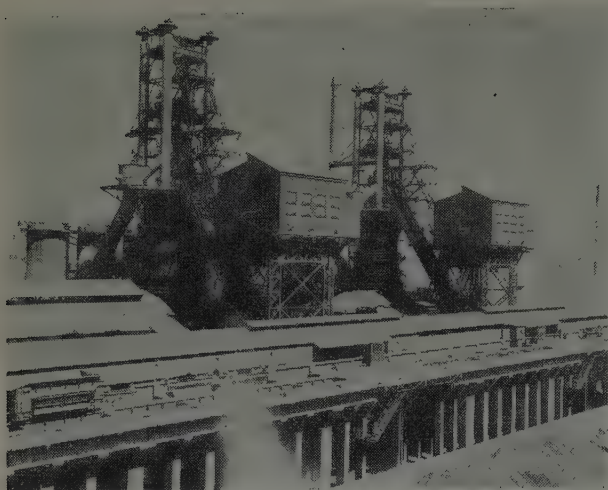
2. Yawata Iron & Steel's Production in Fiscal 1965

	(In 1,000 mt.)		B/A
	1959 (est.) (A)	1965 (sched.) (B)	
Pig Iron	2,931	5,875	200.4
Crude Steel	4,250	6,942	163.3
Rolled Steel	3,329	5,562	167.1



Yawata's Oxygen Converter

Fuji Iron & Steel Co., Ltd.



A View of Blast Furnace Mill, Hirohata Works

As the result of Japan Iron & Steel Company's deconcentration, this company was founded, together with Yawata Iron & Steel Co. in April, 1950, taking over three iron and steel works at Muroran, Kamaishi and Hirohata and one steel plant at Kawasaki. The first two are the oldest plants in Japan, and the Hirohata Works is the most up-to-date plant.

Soon after the war, the Hirohata Works was designated as a reparations plant and had to suspend operation for some time. In March, 1950, however, a 1,000-ton blast furnace there was re-kindled, greatly contributing to the postwar reconstruction and development of this reorganized firm.

Capitalized now at ¥33 billion, this is one of the largest steel companies in Japan. From fiscal 1950 to fiscal 1958, production curved up from 900,000 to 2,129,000 mt. for pig iron, from 867,000 to 2,306,000 mt. for steel ingot and from 681,000 to 1,529,000 mt. for rolled steel. In the latter year, the company accounted for 29.4% of the national total for blast furnace pig iron, 18.0% for crude steel and 17.0% for ordinary rolled steel.

The company's products include, among others, plates, cold-rolled sheets, galvanized sheets, tinplates, wide strips, shapes, rails (heavy and light), bars and wire rods.

From 1951 through 1955, the first rationalization program was accomplished in all the plants with a total cost of ¥25.2 billion. Nearly 60% of this fund was invested in the Hirohata Works, indicating that particular emphasis was put on it in the first modernization efforts. As the result, this plant, thus far specializing in thick plates, was reorganized and expanded into an overall plate and sheet plant, making medium plates, sheets, cold-rolled sheets and galvanized sheets as well.

The completion of the first rationalization plan was soon followed by the start of the second one, which required a total equipment fund of ¥49.2 billion up to fiscal 1958. Highlights of the latter program were: 1) a hot strip mill at Muroran in addition to one already in operation at Hirohata, and 2) an electrolytic tinplate mill a wide plate mill (3.6 m wide, maximum) and a wide sheet mill (1.88 m, maximum) at the Hirohata Works. These have already been put into operation. Besides, construction works are in progress for No. 3 Blast Furnace (1,500 tons a day), a pure oxygen converter and a blooming mill at Hirohata.

Moreover, the company has recently announced to carry out a third rationalization program: i.e. ¥191.7 billion will be invested from fiscal 1959 through 1970, including

those projects still in progress of the second program.

It also deserves special mention that the company has established a ¥2,500-million firm, Tokai Iron & Steel Co. in cooperation with leading financial interests in the Nagoya district. As its affiliate, the new firm will construct an iron works at Yokosuka, east of Nagoya City, which will turn out 1,800,000 mt. of crude steel in 1970.

Equipment investments from fiscal 1959 through 1970 in Tokai Iron & Steel Co. are estimated at ¥118.1 billion. Add this figure to the afore-mentioned ¥191.7 billion, and the total will reach as much as ¥309.8 billion. With this fund, seven blast furnaces (1,500-2,000 tons a day) will be built from fiscal 1960 through 1970, and annual production in 1970 is scheduled to climb up to 7,060,000 mt. for pig iron and 7,540,000 mt. for crude steel.

Compared with these figures, output in the business term ending with September, 1959, was: 1,334,000 mt. for pig iron, 1,374,000 for crude steel, 990,000 mt. for rolled steel and 132,000 mt. for semi-finished steel products. And sales amounted to ¥57,923 million, and profits after tax totalled ¥3,363 million, the dividend declared at 12% a year. Rolled steel production in that term is shown in the table.

Export contracts totalled 125,576 mt. from October, 1958, through March, 1959, and 60,385 mt. from April through September, 1959. Of the latter total, medium plates accounted for 26,342 mt. rails for 15,955 mt., and bars 7,359 mt.

As of September 30, 1959, with its capital in use summing up to ¥180,948 million, the company controlled under its orbit, in addition to the afore-mentioned Tokai Iron & Steel, a number of subsidiaries manufacturing iron and steel, secondary products and chemicals.

It is also to be noted that the company has borrowed money from the World Bank and Export-Import Bank of Washington amounting to ¥34,300,000 for the rationalization of its plants and equipment.

Fuji's April-September 1959 Production of Rolled Steel (In mt.)

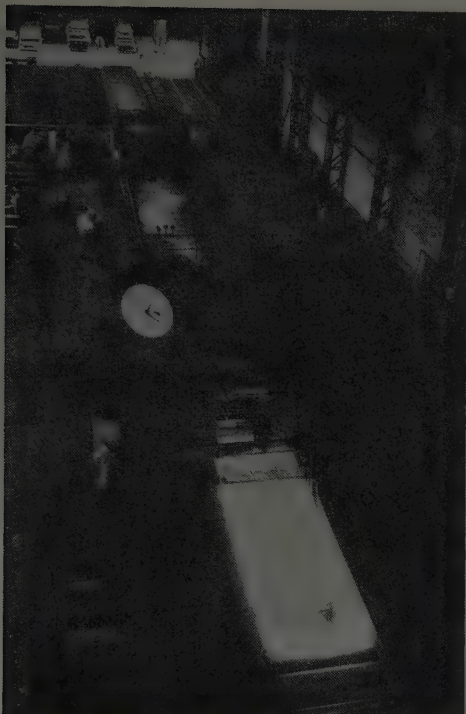
Coils	147,031	Cold-rolled Sheets . . .	126,243
Rails	50,604	Galvanized Sheets . . .	16,288
Shapes	97,122	Tinplates	8,239
Bars	75,533	Strips	78,291
Wire Rods	61,234	Panzermast	758
Medium Plates	248,044	Light Shapes	7,031
Sheets	33,757		



Cold Strip Mill, Hirohata Works

Nippon Kokan Kabushiki Kaisha

(Japan Steel & Tube Corporation)



Wide Plate Rolling Mill at Tsurumi Shipyard

When it was established in 1912, this company specialized in seamless steel tubes. But its business lines got wider and wider first during World War I and then from the Manchurian Incident through the Pacific War.

The company became a unique business organization, undertaking both iron-steel manufacture and shipbuilding under unitary control in 1940 when it was merged with Tsurumi Iron Mfg. & Shipbuilding. Even after World War II, it succeeded in keeping intact the unity of the two related lines though many giant corporations were deconcentrated into several firms. At present, it is operating three iron works (Kawasaki, Tsurumi and Mizue), two ferro-alloy plants (Toyama and Niigata), two shipyards (Tsurumi and Shimizu), and one dockyard.

In the iron and steel department, tubes and plates are by far the most important products. As for tubes, this firm is the biggest maker in Japan.

Due to its vigorous rationalization efforts after the war, the company recommendably modernized its plants and equipment and substantially boosted its scale of production. For this purpose, it invested nearly ¥18.3 billion from fiscal 1951 through 1955. Newly constructed in this rationalization program were a blooming mill, a strip mill and a butt welded tube mill at the Kawasaki Iron Works; and a plate mill, etc. at the Tsurumi Iron Works.

From fiscal 1956 through 1958, about ¥28 billion more was invested, among others, for construction of a pure oxygen converter and a small bore seamless tube mill at Tsurumi.

According to a long-term construction plan recently announced, a huge sum of ¥156.6 billion will be invested from fiscal 1959 through 1965. In this plan, particular stress will be put on the Mizue Iron Works, where two 1,500 ton blast furnaces, pure oxygen converters, a blooming mill, a hot strip mill, a cold strip mill, a cold reversing mill, continuous zinc plating equipment, an electroplating tinplate mill, a silicon steel plant, etc. will be built. To be constructed at the Kawasaki Iron Works are an

open hearth furnace, an electric welded tube mill, a hot extruder and a large shape mill. At the Tsurumi Iron Works, a blast furnace will be reconstructed; a new open hearth furnace built; a plate mill re-modelled; and a large bore welded tube mill newly constructed.

Besides, the company has up its sleeve a plan to construct another iron works, or the fourth one, with the annual crude steel capacity at 2,390,000 mt., for which construction works will be commenced in fiscal 1964.

Upon completion of this long-run construction program, annual production will increase more than twice from fiscal 1959 to 1965; i.e. from 1,301,000 to 3,289,000 mt. for pig iron, from 1,654,000 to 3,480,000 mt. for crude steel, and from 1,314,000 to 2,811,000 mt. for rolled steel. In addition to such scale-up of production, 1) plants and equipment for tubes and plates will be expanded and modernized, 2) strip mills and other equipment built for mass production of sheets, and 3) products multiplied considerably, including galvanized iron sheets, tinplates, silicon steel sheets, sheet piles and heavy rails. Furthermore, each iron works will gradually specialize in one product or two: e.g. particular emphasis will be placed on sheets at the Mizue Iron Works, on tubes and bars at the Kawasaki Iron Works, and on plates at the Tsurumi Iron Works.

In the shipbuilding industry, this company ranks among the first-class builders. The Tsurumi Shipyard is one of the giant yards in Japan, so it has built 47,000 WT craft. At present, the company has the annual capacity of 200,000 gross tons for new craft and 3,540,000 gross tons for repairing.

Capitalized at ¥22.5 billion, the company sold ¥41,109 million worth of products (of which the iron and steel department comprised ¥34,306 million and the shipbuilding department ¥6,802 million) and netted a profit of ¥2,624 million after tax, declaring the 12%-a-year dividend, in the April-September 1959 term.

In the days of the shipbuilding boom, six-month sales of the shipbuilding department amounted to ¥13,700 million, so the current business can be said to have dwindled conspicuously. But the decline in this line has been offset by the remarkable gain in the iron and steel department so that both sales and profits still remain almost on the same level as the previous peak.

From April through September, 1959, iron and steel exports totalled slightly less than ¥2.7 billion (23,800 mt. of bars, 15,500 mt. of plates and sheets, 13,800 mt. of tubes, etc.). In the same term, a 12,294 GT bulk freighter was sold abroad.



Ship Launching at Tsurumi Shipyard

Kawasaki Steel Corporation



Main Production Facilities, Chiba Works

The origin of Kawasaki Steel Corporation can be traced back as far as 1906 when Kawasaki Dockyard Co., founded in 1878, opened Hyogo Works for the purpose of supplying its own steel for ships and rolling-stocks. In 1918, Fukiai Works was opened to produce steel plates and in 1924, it succeeded in the first commercial production of steel sheets in Japan which had been dependent on foreign sources of supply. This success laid the foundation for the Company to grow into "Kawasaki of Flat-Rolled Products" as it is today.

In 1939, the Kawasaki Dockyard Co. changed its name to Kawasaki Heavy Industries, Ltd. and began to expand the Steelmaking Department: In 1939, Kuji Works was built in Iwate Prefecture. In 1940, Special Steel Works was opened in Nishinomiya City and in 1943, Chita Works was erected in Aichi Prefecture.

The termination of the War in 1945 left all the steel plants of the Company in a state of shutdown. Rehabilitation work was carried out speedily and within four years, the steel production of the Company rose to exceed its prewar level.

On August 7, 1950, the Steelmaking Department was separated from the Kawasaki Heavy Industries, Ltd. to form a new independent company, Kawasaki Steel Corporation. In February, 1951, the Company began the construction of Chiba Works with an objective to build a fully integrated steel plant of the world highest standard. The construction was pursued actively and the first stage of it reached completion in September, 1954, in which Blast Furnace No. 1, Open Hearth Furnaces, a Slabbing/Blooming Mill and other auxiliary equipment were constructed. In the second stage of construction which followed, Blast Furnace No. 2 was constructed and blown in in March, 1958 and Hot and Cold Tandem Strip Mills were installed in June, 1958. These new facilities are now in production with high efficiency.

With the completion of the modern Chiba Works, modernization and expansion of existing plants, improved technical skill and the careful quality control which is conducted throughout all stages of production, Kawasaki as a completely integrated producer of steel should further strengthen its competitive position in the steel industry.

It was early in 1951 that, after a series of investigations, discussions and careful planning, construction works were started for an iron and steel works, equipped with the most up-to-date furnaces and mills, at Chiba, under the able leadership of President Nishiyama. General conditions were not too bad at that time because hostilities were in

full swing in the Korean peninsula. But it was impossible to complete such ambitious construction works in a short period, and business conditions turned for the worse, so the company once happened to be head over ears in debt. For all this, Blast Furnace No. 1 was finally kindled in June, 1953—a long step toward the much-desired construction of an integrated iron-steel plant.

The first stage construction was finished by September, 1954, including the first three open hearth furnaces and a blooming mill. In its wake, the second stage construction was started: i.e. Blast Furnace No. 2 was completed in March, 1958; a hot strip mill in the following month; and a cold strip mill in June, the same year (by the way, a \$20 million loan was secured from the World Bank for construction of these strip mills in December, 1956).

The third stage construction now is in progress with the main object of securing the adequate supply of crude steel, and it will be accomplished by 1967. Besides, a large bore welded tube mill (at the Chiba Iron & Steel Works) and a wire rod mill (at the Fukiai Plant) will be constructed so that the company may be able to diversify as much as its business lines and thereby to foster flexibility and stability in its business activities. In this manner, "Kawasaki of Flat-Rolled Products" will grow up a complete integral steel maker.

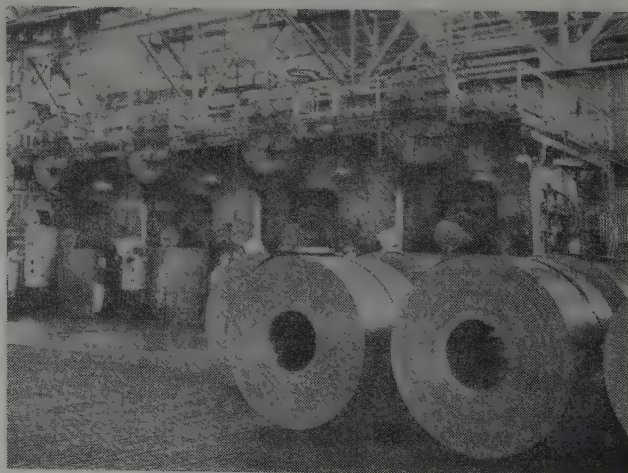
Upon tentative completion in 1967 of the current construction program, the company's annual production will climb up to 2,556,000 mt. for pig iron, or 3.5 times that in 1960; 3,300,000 mt., or two fold, for crude steel; and to 2,310,000 mt., or 2.1 times, for rolled steel.

The total fund necessary for such capacity expansion is estimated at ¥137,309 million, of which corporate bonds and loans will comprise ¥57,000 million, internal funds ¥51,300 million, and capital increases ¥29,000million.

It is particularly noteworthy that, in the course of the third stage construction, the company has announced to build a new integrated plant at a 16,500,000 km² site. Though details have not yet been made public, the plant will be equipped with a 1,500 ton blast furnace, two 60 ton converters and a blooming mill. Its enterprising spirit really deserves admiration.

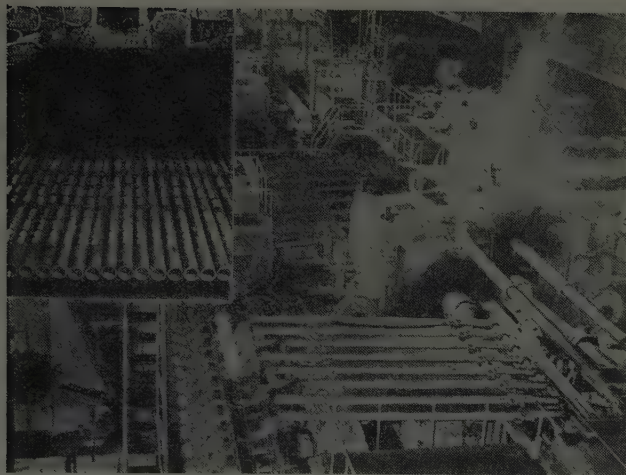
Yearly sales at present stand at ¥65-66 billion, but the figure will rapidly swell to ¥130-135 billion by 1967. In the meanwhile, capital will be increased from ¥16,413.5 million to the ¥40 billion mark.

The current dividend is set at 6% per annum plus dividend stocks equal to the same annual rate. As from the current term ending with October, this year, the rate will be upped to 10-12% in all probability.



A View of Cold Strip Mill, Chiba Works

Sumitomo Metal Industries, Ltd.



Mannesmann-type Steel Tube Mill

The company's history, dates back to the merger in September, 1935, of two Sumitomo affiliates—namely, Sumitomo Shindo Kokan and Sumitomo Steel Works.

Sumitomo Shindo Kokan was founded as early as in 1897, and brought up as a main business of the Sumitomos. At first, it specialized in copper and brass products (sheets, bars and wires), and it gradually multiplied its business lines, such as aluminium sheets, cold drawn steel tubes and duralumin.

Sumitomo Steel Works was established in June, 1902, or four years later than Sumitomo Shindo Kokan, as a foundation for Sumitomo's steel business. Soon after its incorporation, it built the first private open hearth furnace in Japanese industry and put emphasis upon steel castings and forgings. When it was merged with its sister concern, however, it had become very well known as makers of railway rolling stock parts and accessories (steel tires, couplers, electric car trucks, wheel springs, etc.). Then, it succeeded in making on an industrial scale the late Dr. Honda's KS magnetic steel.

In the early postwar years, the company was confronted with a lot of difficulties due to the sudden stoppage of munitions production, the dismantling of Zaibatsu and the designation of some of its big plants as reparations. In 1951, it was forced to scale down its business activities to only 5 plants (Osaka, Amagasaki, Wakayama, Suita and Nagoya) under the Enterprise Reconstruction and Adjustment Law.

Just at the time, however, the Allied occupation policy was changed drastically in favor of Japanese industry. The Peace Treaty was finally concluded in 1950 at San Francisco. In May, 1952, the company was re-named, or rather restored its prewar title. In July, 1953, when it absorbed Ogura Steel Works, it made a long step for realization of its long-cherished wish or integral production of iron and steel.

The company has since been lavishing efforts in this direction. In view of the rosy outlook for light metal business and the urgent need of "purifying" its business lines, the Nagoya Copper Rolling Plant had been separated and reorganized into an independent firm, of Sumitomo Light Metal Industry (capitalized at ¥1,500 million, all shares held by the mother firm).

For expansion of iron and steel business, on the other hand, a long-term construction plan has been put into practice since 1957, and it will be completed by 1959 with a total cost of ¥147.3 billion. The plan consists of three-stage works. The first stage works have already

been finished, and the second stage ones are being stepped up to be completed by March, 1962.

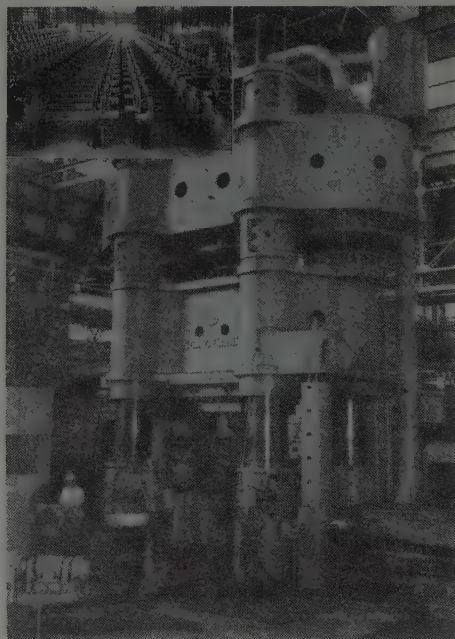
Covered in the second stage program are, among others, blooming mill No. 1 (capacity at 900,000 tons a year, completed in January, 1960), blast furnace No. 1 (1,200 ton type, to be completed in April, 1961), two 200 ton open hearth furnaces (to be remodelled by April, 1961), a combined mill for plates and sheets (annual capacity at 600,000 tons) and medium bore welded tube mill No. 1.

Major works of the third stage program (to be completed by March, 1966) are: blast furnace No. 2 and No. 3 (1,500 ton type), two 60 ton converters, a reversing mill (80 inches wide, annual capacity at 90,000 tons), small bore welded tube mill No. 3 and No. 4 (each annual capacity at 78,000 tons), medium bore welded tube mill No. 2 (annual capacity at 80,000 tons), and a remodelled medium mill (annual capacity at 180,000 tons). These will be completed from March through September, 1964. Then, a 60 ton converter will be built; the first blooming mill enlarged in capacity; and new constructions will include a cold tandem mill (56 inches wide, annual capacity at 360,000 tons), a tin plating tank, a plate mill (160 inches wide, annual capacity at 400,000 tons), and a large bore welded tube mill (UO forming, annual capacity at 144,000 tons).

All these works are included in the second and third equipment rationalization plans sponsored by the Government. Furthermore, the company is planning on its own account to construct by September, 1967, blast furnace No. 4, a 60 ton converter, blooming mill No. 2, a tempering mill and a continuous zinc plating machine.

In this way, the company's annual capacity in 1965 will be 2.6 times that in 1960 for steel ingot and steel products. In the meantime, its sales will curve up from ¥60-63 to ¥120-130 billion a year.

In addition to such expansion of sales amount, products will be diversified more than at present. Important products now are pipes, steel tires, steel forgings and castings, wire rods and bars. Upon completion of the long-run construction plan, plates, sheets, welded tubes of various bores, etc. will be made and marketed on a big scale.



9,000-ton Forging Press

Kobe Steel Works, Ltd.



Rotary Kiln

This firm made its debut in 1905 when the now defunct Suzuki Shoten purchased a small plant in the eastern district of Kobe and started steel business under the technical guidance of a naval arsenal. It was in June, 1911, that the plant was made independent from the mother firm and incorporated into Kobe Steel Works, Ltd. At first, the company manufactured mostly gun carriages, shafts, brackets and other munitions for the navy.

In the course of World War I, the company succeeded in making torpedo air compressors well comparable with British makes and provided them to the Japanese navy. Besides, it started fabricating marine engines, industrial machines, etc. In order to secure the adequate supply to non-ferrous metals and special steel, the head plant was enlarged substantially in 1915. In other words, the war boom was well capitalized for consolidation of machine-building business.

While a recession prevailed after the end of hostilities, the company absorbed Harima Shipyard and Toba Shipyard, both under Suzuki Shoten's wings at that time, and at the same time launched upon on a big scale rolled steel business. A steel bar plant was built in 1924, and idle equipment for wire rods bought from Sumitomo Shindo Kokan (a predecessor of Sumitomo Metal Industries) in 1926. Thus, a groundwork was laid for steel business.

In November, 1945, it re-opened wire rod business for the first time in this special field. From that time through 1948, it rebuilt and expanded its engineering department, manufacturing textile machines, cigarette machines, refrigerators, rolling stock, mining equipment and other civilian machines.

Now the company occupies a leading position in the production of steel wire rods which constitute its main steel product. Its wire rods enjoy a high reputation at home and abroad for their excellent quality. In the steel rolling field it also produces bars and sections and unique is its production of extruded tubes, bars and shapes made of low carbon steel, high carbon steel, alloy steel, stainless steel or titanium metal by the use of the Ugine Sejournet process of Compagnie du Filage des Metaux & des Joints Curty, Paris, France.

Another pride of the company is its arc welding electrode field which is dominating the domestic market. With its outstanding technical know-how, featured by its tradition as the oldest manufacturer in the field in Japan, and up-to-date manufacturing and laboratory facilities the company produces arc welding electrodes of high quality which occupy the greater part of the country's overall production.

In the machinery industry it is in the leading group in Japan, together with Hitachi Limited, and its production has a wide range which includes chemical machinery, construction machinery such as P&H Excavators, cement machinery and steel castings and forgings in the form of parts of ships, diesel engines and electric power generating equipment. The traditional technical know-how, combined with the imported techniques and the effort for constant improvement, has created for the company a position where it enjoys the confidence of users for each product.

Its non-ferrous division forms the "Big Three" in Japan's non-ferrous industry, together with Furukawa Electric Co., Ltd. and Sumitomo Light Metal Industry Co., Ltd. Manufactured in the non-ferrous division are sheets, strip, bars, rods, sections, wire, pipes and tubes, made of aluminum, aluminum alloy, copper or copper alloy. As evidence of its advances to overseas markets the concern is constructing a urea fertilizer plant in East Pakistan on a large scale for Pakistan Industrial Development Corporation, sold cement plants to Formosa and the Philippines and is also increasing the export volumes of finished wire products, machinery and non-ferrous products.

In January 1959 the company saw the inauguration of its 600 ton daily capacity blast furnace and its auxiliary facilities which were constructed as its Nadahama Plant in Kobe. It is now constructing a new wire rod mill in Kobe for completion by May 1960 with the aim of holding its leading position in the country's steel wire rod production. The company also has an extensive equipment program aiming to boost its annual steel production volume to 2,536,000 metric tons by the end of fiscal 1965. Separately from the program, it is renovating, modernizing and expanding the facilities in the machinery, arc welding electrode and non-ferrous industries for their rationalization.



955A Shovel

Japan Steel Works, Ltd.



Aerial View of Muroran Works

Founded in November, 1907, by Hokkaido Colliery & Steamship, Armstrong Whitworth and Vickers Sons & Maxim, this firm was in fact a pioneering maker of high grade steel, steel castings and ordnance in this country. In 1909, it was designated by Lloyd as a local maker of ship accessories. As one of the Mitsui concern, it played a leading role in the steel industry for a very long time.

When World War II was over, the company carried out a conversion from munitions to civilian manufactures. It is very well known for its large-size production facilities, including a 10,000-ton hydraulic press and a gigantic mill which can roll plates 4.8 m wide, 14-300 mm thick and 20 m long. It now is operating four plants (Muroran, Hiroshima, Yokohama and Musashi) and one workshop (Akabane).

Manufactured at the Muroran Works are mostly high-class large-size steel forgings and castings, and plates for shipbuilding. These are machined and assembled at the other plants into various kinds of machinery and components thereof. Thus, its principal lines include, in addition to forgings, castings and plates, 1) industrial machines (paper and pulp making machines, chemical plants, compressors, extruders, mixers, sugar machines, etc.) and 2) ship accessories, rolling stock components, etc.

For technical renovation, the company has entered into cooperation agreements with Sulzer Freres (Switzerland) for compressors, with United Engineering & Foundry (USA) for steel casting rolls, with Mr. Charles B. Francis (USA) for M. F. P. castings, and with Stadler, Hurter & Company (Canada) for paper making machines.

Since 1955, utmost efforts have been exerted for rationalization of plants and equipment: for instance, construction of a 20-ton electric furnace, a heating furnace, a tempering furnace, etc.; modernization of machine tools; use of fuel oil, instead of coal, in open hearth furnaces; and importation of vacuum casting technique from Bochumer Verein of Germany.

1. Japan Steel Works' April-September 1959 Sales

(In ¥1,000,000)

Rolling Stock Components	125
Auto Parts and Accessories	71
Ship Accessories	1,200
Electric Machinery Components	547
Iron & Steel Machinery Components	1,123
Chemical Plant Components	848
Mining Equipment Components	84
Paper Machinery Components	92
Others	178
Total	4,268
Rolled Steel	3,348
Others	887
Grand Total	8,503

When it made a re-start after the war in December, 1950, the company was capitalized at not more than ¥200 million, but its capital has been boosted to ¥2,550 million. In the April-September 1959 term, it sold ¥8,503 million worth of products (see Table 1) and netted a profit of ¥444 million, declaring a 12%-a-year dividend.

New orders at present average ¥1,600-1,700 million a month, and sales in the current term closing with March, 1960, is expected to top the ¥10-billion mark. Incidentally, the previous record business was ¥11.5 billion (profit at ¥611 million before tax) in the April-September 1957 term.

The company's production, classified by department, is shown in Table 2.

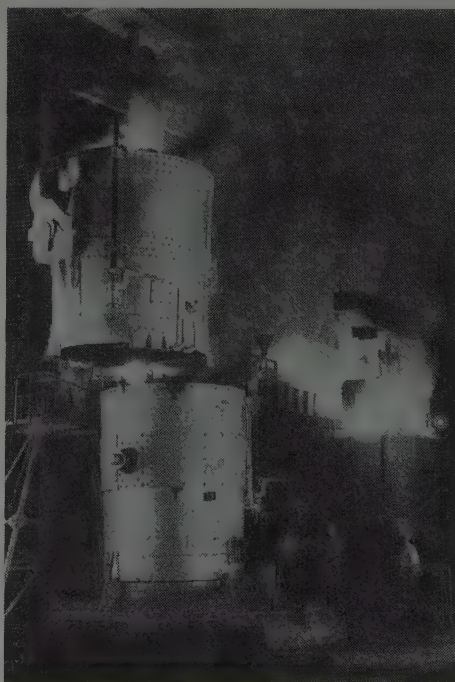
2. Japan Steel Works' Production

(In ¥1,000,000)

Business Term ending with	Castings, Forgings & Machinery	Plates	Special Procurements	Total
1957 Mar.	5,058	5,581	595	11,234
Sept.	6,912	6,262	547	13,721
1958 Mar.	7,078	3,246	769	11,093
Sept.	4,030	1,677	480	6,186
1959 Mar.	3,129	1,932	844	5,906
Sept.	4,012	3,523	1,024	8,559

For equipment rationalization, the company has announced to invest ¥5.8 billion from fiscal 1959 through fiscal 1965. Covered in this program are, among others, 1) the construction of two 80-ton electric furnaces, a cupola, a special steel sheet rolling mill, etc., and 2) the modernization of the existing furnaces, mills and other equipment.

Production in fiscal 1959 is estimated at 117,000 mt. for plates and 21,000 mt. for castings and forgings. Upon completion of the afore-mentioned rationalization program, the corresponding figures in fiscal 1965 will jump to 228,000 and 32,000 mt., respectively. Machinery and equipment will also be manufactured increasingly along with the increase of these steel material production. In addition, capacity will be expanded for such special steel products as high strength steel (2H steel) sheets.



Forging Operation by Vacuum Extruding Method

Nisshin Steel Works, Ltd.



Night View of Nanyo Works

Founded in April, 1959, through the amalgamation of Nichia Seiko and Nihon Teppan (both capitalized at ¥2.4 billion), this firm is the biggest open-hearth furnace operator in this country.

Both Nihon Teppan and Nichia Seiko have been through quite a vicissitude before they attained the magnitude prior to their merger. The former started as a small zinc plating firm under the name of Zinc Plating. In May, 1911, the company was incorporated under the name of Osaka Teppan Seizo, which later separated its thin plate production factory at Tokuyama as Tokuyama Teppan. In 1953, the company again amalgamated the separated company to grow into a variety steel maker. Nichia Seiko, on the other hand, had Nihon Zinc Plating as its predecessor. In November, 1953, the two companies carried out an "equal-footing" merger to become one of the influential powers in Japan's iron & steel industry.

The merger of these two firms, similar to each other in history and business, was aimed at the effective use of plants and equipment and the substantial scale-up of production. In fact, the get-together of the two ¥2.4-billion giants was a very rare case in the iron and steel industry.

In November, 1959, the company increased by half its capital to ¥7.2 billion. In the April-September 1959 period or the first term after the amalgamation, sales amounted to ¥17,745 million, and profits to ¥513 million with the dividend set at 10% a year. Details of production and sales in that term are shown in the table.

Nisshin Steel Works' Production and Sales

	Production (mt.)	Sales (¥1,000,000)
Steel Ingots	221,997	—
Blooms & Slabs	197,248	—
Plates & Sheets	67,032	3,411
Cold Rolled Sheets	42,598	2,542
Strips	121,485	5,553
Galvanized Sheets	48,858	3,226
Stainless Steel & Special Steel	9,778	1,765
Others	24,776	1,246
Total	314,527	17,745

The company has been selling abroad briskly most of its products, particularly galvanized sheets. It has long experience in galvanized sheet making and is very well known for its trade marks "Moon Star" and "Sun". Incidentally, galvanized sheets are the most important export item in this industry.

In the business term ending with September, 1959, overseas shipments totalled 10,458 mt., valued at ¥685

million, for galvanized sheets; 4,477 mt., valued at ¥308 million, for plates and sheets; and 1,937 mt., valued at ¥103 million, for strips. The total came at 16,872 mt., valued at ¥1,096 million.

Though its main lines have so far been sheets, strips, galvanized sheets, etc., the company now is trying hard to expand stainless steel business. In June, 1958, it installed a Sendzimir mill at the Nanyo Works for continuous rolling of stainless steel sheets. Later, a 30-ton electric furnace has been built, and a Steckel mill will be constructed by the end of the current year, thereby to complete a set of equipment from a furnace through a hot mill to a cold mill for continuous production of stainless steel sheets.

Stainless production now totals 1,000 mt. a month, and it will jump to 3,000-3,500 mt. (2,000 mt. for thin sheets and 1,000-1,500 mt. for thick sheets) in 1961 as a hot rolling mill under construction will be completed at the end of this year. In fact, the company is the largest stainless steel maker in Japan.

With such mass production of stainless steel as a main aim, the company is stepping up its long-term construction program. Thus, sales will increase from 565,000 mt. in fiscal 1959 to 892,000 mt. in fiscal 1965 for ordinary steel; from 36,000 to 74,000 mt. for special steel (spring steel, SC steel, etc.); and from 13,000 to 48,000 mt. for stainless steel. Thus, the total turnover will curve up from 615,000 to 1,014,000 mt.

For such production boost, in addition to the aforementioned expansion of the Nanyo Works for stainless steel, constructions and expansions will be carried out as follows:

The Kure Works will be bolstered as a melting center. For boost of steel manufacturing capacity there, a 100-ton open hearth furnace, a 30-ton electric furnace and a cupola will be built.

Strip production will be concentrated in the Amagasaki Works, where steel making and rolling facilities will be rationalized and expanded.

At the Osaka Works, emphasis will be placed upon galvanized sheets by installing new equipment for cold rolling and zinc plating.

Funds necessary for this long-term plan amount to nearly ¥18.5 billion. When the plan is thus accomplished, not only the scale of production will increase as mentioned above, but also such high grade products as stainless steel and special steel will gain in importance. Moreover, the concentrated manufacture of major products at each plant will be stepped up.



Sendzimir Mill at Nanyo Works

Amagasaki Iron & Steel Mfg. Co., Ltd.



Right: 600-ton Blast Furnace
Left: 400-ton Blast Furnace

Amagasaki Iron & Steel was founded in August, 1937 by the joint financing of Amagasaki Seikosho (Amagasaki Steel Works) and Kubota Iron Works (the present Kubota Iron & Machinery Works). With first stress placed on the production of pig iron, Kubota Iron & Steel started operation in June, 1941 upon the completion of a blast furnace. In April, 1944, the company merged with Amagasaki Steel Works to embark upon the manufacture of steel products. With the Pacific War drawing to a close by that time and the acquisition of major steel-making raw materials like iron ore and coking coal from overseas sources growing increasingly difficult, however, the company had to suspend operation of its blast furnace in August, 1944, and its coke furnaces also ceased operation in June, 1945. In May, 1946, soon after the war's termination in August, 1945, the company separated its steel division which was incorporated into an independent company under the old name of Amagasaki Steel Works. Returning to its original line of pig iron, the company in April, 1953 had its new blast furnace (#1: 400-tons daily) completed to enable its fresh start. With the Amagasaki steel works newly opening a pig iron mixer, it appeared for some time that the two firms were again ready to cooperate for the production of iron and steel on an integrated basis, that is, from pig iron to finished steel products. A strike of workers at the Amagasaki Steel Works in the early part of 1954, however, offered an unexpected obstacle in the way of the new venture. In November, 1954, Amagasaki Iron & Steel was placed under the financial aegis of Kobe Steel Works, Ltd., which shortly later took control of Amagasaki Steel Works to enable the two subsidiaries to start operation in close collaboration. In 1956, Amagasaki Iron & Steel incorporated its chemical products division into an independent firm under the name of Amagasaki Coke Industrial with the support of Mitsubishi Chemical Co. and Kobe Steel Works. At present, Amagasaki Coke Industrial is supplying high-grade coke for pig iron manufacturing to Amagasaki Iron & Steel and Kobe Steel Works. Meanwhile, Amagasaki Iron & Steel erected its #2 blast furnace (600 tons daily) in May, 1957 and started supply-

ing pig iron to Amagasaki Steel Works. It was a speedy recovery that the company has since been making, particularly on the spur of the steel boom in 1957 through 1958. In October, 1959, the two companies (Amagasaki Iron & Steel and Amagasaki Steel Works) were again amalgamated into a new company under the name of Amagasaki Iron & Steel, which now ranks next only to the "Big 6" steel companies and Nakayama Seiko as an iron and steel maker operating on an integrated (from raw materials to finished products) basis. The new Amagasaki Iron & Steel is equipped with two blast furnaces (#1 with the daily capacity at 400 tons and #2 with the daily capacity at 600 tons), three sintering machines (300 tons, 350 tons and 100 tons daily each), three basic Bessemer converters (with the annual steel capacity of 240,000 tons), and one pig iron mixer (400 tons). Other major equipments of the company include rolling mills with the annual capacity of 66,000 tons, plate rollers with the capacity totalling 300,000 tons annually, plus rollers with the annual capacity of 60,000 tons of small bars and 90,000 tons of large shapes. The company is now propelling a equipment expansion plan at the total cost of ¥7,000 million for completion in 1960. The company expects to have a new shape mill (small and medium shapes inclusive) with the annual capacity of 180,000 tons completed in March, followed by the completion of two sets of top-blown oxygen converters with the combined annual capacity of 432,000 tons by the end of September, this year. The company has been making fair business showings in recent terms with the annual sales nearing ¥25,000 million. With the term profits estimated at ¥1,000 million (before corporate taxes) for the current term, the 12% per annum dividend is assured. The company is now boosting its capital to ¥3,712 million with payments due May 1, 1960.



Wide Plate Rolling Mill

Nakayama Steel Works, Ltd.

Nakayama Steel Works was established in September, 1919 as a personal venture of the late Etsuji Nakayama, former president of the company with its factory site in the City of Amagasaki. The principal line of the company's activities is the manufacture of galvanized iron sheets and in this special field, the company is counted as one of the pioneers and major producers in Japan's iron & steel industry. When the company entered into this particular field of business, majority of the galvanized iron sheets was being imported from overseas countries.

It was in 1923 that the company was incorporated as Nakayama-Etsuji Shoten capitalized at ¥500,000 with its head office in Osaka City.

In 1924, the company started the production of common nails, while in December, 1929, the company established the first factory in Osaka City of blacksheets. At about the same time, the company's galvanized iron sheet factory hitherto placed in the City of Amagasaki was brought over to Osaka so that the integrated production of thin steel plates was made possible.

In 1933, the company established an open furnace mill and changed its name to the present one. With the production facilities thus strengthened, the company started to add new products to its roster including wire rods, thick, medium and thin plates, galvanized steel sheets, ordinary wires, steel forgings and casings, etc.

Riding high on the strong demand waves for iron and steel with the start of the Sino-Japanese War, the company tried to become an all-inclusive steel maker by establishing the blast furnace mill (with the daily capacity of 500 tons) and its attendant facilities. In the meantime, the company amalgamated such firms as Nankai Chemical and Osaka Foundry to advance into the fields of chemicals and cast iron more aggressively. In June, 1941, the company added another blast furnace (with the same capacity as the first one) to its production facilities. With the steadily deteriorating situations on the war fronts, however, it became extremely difficult to get enough iron ores and coking coal to keep running the mills, and in October, 1944, the company had to suspend the activities of its blast furnaces.

In 1946, slightly after the end of the Pacific War, the company again swang into production—slowly at first and

then, with an added momentum. It was in March, 1953, however, that the company's second blast furnace re-started operation. The reason why the company's first blast furnace took so much time in re-opening was that it was in the process of dismantled for transportation to Manchuria in the latter days of the Pacific War. It was, therefore, as late as 1957 that the company's first blast furnace finally swang into operation again.

In the meantime, as the company came under the regulations of the notorious Excessive Economic Control Decentralization Law, it had to cut off the rolled steel department of Amagasaki Factory, Wire-processing department of Okajima Factory and the chemical department of the Wakayama Factory as Amagasaki Seihan, Kizugawa Seisen and Nankai Chemical Industry, respectively.

Although not as much in limelight as the so-called Big Six steel makers, Nakayama Steel Works could easily be counted as one of the most solidly organized steel companies in Japan with the Nakayama clan holding most of the key executive posts. In spite of its gross annual sales in the neighborhood of ¥20-22 billion, the company's capital is still a meager ¥480 million and the company has no immediate intention of increasing it.

The fact that 70% of the company's equipment investments are carried out with the company's own funds highlights how solidly self-reliant the company is among the Japanese steel industry. This does not mean, however, that the company is rather passive in every aspect of the activities. The company has been showing a great deal of eagerness in expanding its business in the past few years.

For example, the company is now building Taketoyo Plant near Nagoya and the plant will be equipped with three 70-ton open-hearth furnace and facilities for making small steel bars and shapes and a variety of rolled products.

The plant will be put into operation later in 1960. Another example is the company's plan to build a plant for making steel bars and wire rods near Shimizu City, Shizuoka Prefecture.

The company's future as a major steel maker is now almost assured.



Funamachi Factory, Nakayama Steel Works

Toto Steel Mfg. Co., Ltd.



A View of Toyohashi Works

This company made its debut as a small rolled steel plant under private management in 1921. In the following year, it started making steel sash bars on a big scale for the first time in Japan. In 1933, it commenced the manufacture of rim bars and ring bars. Two years later, an open hearth furnace was built for self-supply of material steel as its business had markedly expanded.

After World War II, the company boosted its steel making capacity and modernized its rolling mills as demand got brisk for rolled steel products due to the outburst in 1950 of hostilities in the Korean peninsula. Thus, its annual capacity now stands at 277,000 mt. a year for crude steel and 240,000 mt. for rolled products.

Greatly contributing to such capacity expansion was the construction of a new plant at Toyohashi, where two 30-ton electric furnaces were built in November, 1958, with their combined output at 100,000 mt. a year.

Principal products are structural shapes, rim bars, ring bars for wheels, sash bars, fish plates and other rail accessories. As for rim ring bars and sash bars, this firm is the biggest maker in the country, accounting for 45% of the total demand.

Three works now are under operation at Tokyo, Toyohashi and Chigasaki. The Tokyo Works now is a main plant equipped with open hearth furnaces and rolling mills for shapes. The Toyohashi Works is a new factory operating at present only electric furnaces. Made at the Chigasaki Works are mostly steel castings.

In its future expansion, the company is apparently expecting a good deal of the Toyohashi Works, where an up-to-date medium rolling mill now under construction (capacity at 240,000 mt. a year) will be completed in July, 1960. Upon completion of this mill, this factory will replace the Tokyo Works as the main plant of this firm. As there is much room for further expansion with the plant site there totalling 760,000 m², the construction of a continuous mill for medium shapes will be followed the installation of another mill for medium plates for auto making.

The company is stepping up its long-term construction plan, which will be completed by fiscal 1964.

At the Toyohashi Works, in addition to the aforementioned mills, an electric furnace, an open hearth furnace and rolling mills will be built with a view to boosting the 1964 output there to 360,000 mt. for crude steel

and to 324,000 mt. for rolled steel. With its mills remodelled, the Tokyo Works' production in 1964 will climb to 120,000 mt. for crude steel and 114,000 mt. for rolled steel. As the result, sales in that year will curve up to about ¥21.5 billion.

The total funds necessary for these projects are estimated at ¥4.9 billion, of which about ¥4.5 billion will be earmarked for the enlargement of the Toyohashi works.

With its capital at ¥2 billion and its employees numbering 1,650, the company is one of the steel makers of medium standing. In the April-September 1959 term, sales totalled ¥4,543 million and profits ¥150 million with the dividend at 8% a year. Details of the sales turnover are shown in Table 11.

Toto Steel Mfg.'s Apr.-Sept. 1959 Sales

	Quantity (mt.)	Sales (¥1,000,000)
Semi-finished Products	32,484	1,188
Shapes	50,104	2,087
Bars	1,976	76
Rim Ring Bars & Sash Bars	10,174	704
Rail Accessories	4,461	201
Special Steel	778	52
Iron & Steel Castings	729	87
Others	—	149
Total	—	4,543

Shapes and some other products are sold abroad. In the April-September 1959 term, shipments totalled 18,755 mt. for shapes, 2,664 mt. for rail accessories, and 1,521 mt. for various bars: the grand total at 22,965 mt., valued at ¥813 million.

When the iron and steel industry suffered a serious recession in 1958, the company's business turned for the worse considerably, but a rapid recovery started in the following year. With the Toyohashi Works put into operation, business results will further improve from October, 1959, through March, this year: sales will rise to ¥5 billion and profits before tax to nearly ¥200 million.

For smooth marketing of rolled steel and for manufacture of secondary products, the company controls under its wings two subsidiaries: namely, Japan Motor Wheel (the biggest maker in Japan of auto wheels) and Toto Tekko (well known for its steel structures, bridge frames, etc.).



Cross-section of the Company's Products

Key to Japanese Firms

Department Stores

Department store business continued to fare well in 1959 with the sales throughout the country in December reaching a new monthly peak of ¥67,800 million (as surveyed by the Japan Department Store Association), up 16.1% over a year ago. The total sales by all department stores throughout the country in calendar 1959 aggregated ¥343,000 million, according to the same source, registering a comfortable gain of 12.5% over calendar 1958, as compared with the 9.0% gain registered in 1958 over 1957. Particularly encouraging was the boost of the sales by department stores in Nagoya, the third largest city in Japan and the commercial mecca in Central Japan, which in 1959 swelled 19.0% over 1958 to ¥21,100 million. December sales by four leading stores in Nagoya were, Matsuzakaya, ¥1,600 million; Nakamura, ¥1,000 million; Meitetsu, ¥900 million; and Maruei, ¥700 million; all up about 30.0% over a year ago. Meanwhile, the total sales in 1959 by department stores in Tokyo amounted to ¥136,100 million, accounting for 40.0% of the combined sales throughout the country and up 13.0% over a year ago. December sales by leading department stores in Japan are ranked as follows: 1) Mitsukoshi (main store), ¥4,100 million (up 14.0% over December, 1958); 2) Isetan, ¥3,300 million (up 20.0%); 3) Takashimaya, ¥3,100 million (up 16.0%); 4) Matsuzakaya (Ueno), ¥2,700 million (up 15.0%); 5) Toyoko (Shibuya), ¥2,600 million (up 14.0%); 6) Seibu, ¥2,400 million (up 34.0%); 7) Daimaru, ¥2,100 million (up 14.0%); 8) Shirokiya, ¥1,700 million (up 11.0%); 9) Matsuzakaya (Ginza), ¥1,300 million (up 16.0%); 10) Matsuya (Ginza), ¥1,200 million (up 12.0%); 11) Sogo, ¥900 million (up 13.0%); 12) Mitsukoshi (Shinjuku), ¥700 million (up 19.0%); 13) Mitsukoshi (Ikebukuro), ¥700 million (up 6.0%); 14) Matsuya (Asakusa), ¥500 million (up 17.0%); 15) Mitsukoshi (Ginza), ¥500 million (up 8.0%). The annual sales in 1959 by department stores in Osaka totalled ¥64,900 million, up 15.0% over 1958. Of principal commodities sold by department stores in 1959, increases were especially notable with furniture and textile goods.

With consumer spending bound to make another leap in 1960, department store sales are expected to increase further. According to the Economic Planning Agency, the popular consumption level in

fiscal 1960 is estimated to hike 7.0% over fiscal 1959 and the department store sales are likely to boost roughly by 14.6% over 1959. Latest showings of major department stores are as follows.

Mitsukoshi

Mitsukoshi (capitalized at ¥2,430 million) is the oldest and biggest of department stores in this country. Of the four stores it operates in Tokyo, the Shinjuku store made a notable advance in December with its sales during the month eclipsing ¥700 million (up 19.0% over a year ago) as the opening of a subway linking the city centre with Shinjuku helped it attract more customers. Its Osaka branch also made a good showing with its December sales up over 20.0% over a year ago while the Ikebukuro store (Tokyo) comparatively marked time. With the main store (in Nihonbashi, Tokyo) also faring well with the December sales up over 14.0% over a year ago, the total sales of Mitsukoshi for the current term ending February are estimated to exceed ¥22,000 million with the profit due to stand at around ¥650 million enough to maintain the present 20.0% dividend. The company recently announced a 50% capital expansion with share payments due as of July 1, this year. With its capital thus increased by the coming summer, Mitsukoshi may be compelled to curtail the dividend rate by 2.0-4.0% within a few terms for sound management.

Daimaru

Capitalized at ¥1,600 million, Daimaru has been steadily catching up with Mitsukoshi in the amount of annual sales, as its four stores (Osaka, Tokyo, Kobe and Kyoto) have continued to register better sales. The company's December sales increased 17.0% in Osaka, 8.3% in Tokyo, 6.1% in Kyoto and 5.1% in Kobe, over a year ago, with the hike at the Osaka main store especially outstanding. The company's sales for the current term ending February are estimated to aggregate ¥20,500 million, or a gain of 14.0% over a term ago, thus eclipsing the ¥20,000 million mark for the first time, with the profit expected to reach ¥410 million, sufficient for the maintenance of the 16.0% dividend. As of June 1, this year, Daimaru plans to boost the capital to ¥2,000 million.

Takashimaya

Takashimaya, capitalized at ¥2,200 million, has benefited thoroughly from the expansion of floor space at its Osaka main office, and the sales in the September-December period (1959) are estimated to have increased more than 15.0% over

a year ago. Of the three stores it operates (Kyoto, Osaka and Tokyo), the sales during the period under review increased most sharply at the Kyoto store (up 21.5% over a year ago) with the Osaka store coming second with the hike of 16.0%. The total sales by Takashimaya during the current term (ending February, 1960) are estimated to reach some ¥18,300 million with the profit likely to exceed ¥500 million, an increase of about 40.0% over the profit for the preceding term ended August, 1959. With the profit thus due to swell, Takashimaya is expected to boost its dividend rate by 1% to 16.0% equal to the dividend by Daimaru, its major rival in western Japan. Takashimaya is also planning to boost its capital in the near future.

Matsuzakaya

Matsuzakaya on January 11 announced its 40% capital increase (with share payments due June 1) to ¥3,000 million to commemorate the 50th anniversary of its founding. Matsuzakaya's business has continued fair with the total sales for the current term (ending February, 1960) estimated to total ¥17,100 million, an increase of 18.9% over a year ago. The sales particularly increased for the Nagoya store which registered a gain of 23.8% with the Osaka office up 16.4%, the Ueno (Tokyo) office up 15.7%, and the Ginza (Tokyo) office up 15.2%. The Shizuoka store, although smallest in scale, also made a good showing. The company is expected to register the net profit of ¥350 million after a ¥200 million depreciation, and will maintain its 15.0% dividend. With the minimum profit gain of over 10.0% certain to continue in the few terms to come, the company will be able to give a 12.0% dividend even after the proposed capital expansion. Although the dividend rate may thus be curtailed, the sound management policy will be a fair compensation for investors.

Toyoko

The sales of Toyoko (capitalized at ¥1,800 million) continued favorable in the current term (ending January, 1960) with the total sales well reaching ¥13,700 million, with sundries forging particularly ahead. On the list of December sales, the main store at Shibuya (Tokyo) sold 14.0% more than a year ago and the sales at the Shirokiya (Tokyo), its direct subsidiary, also increased about 11.0%, although the Ikebukuro store (Tokyo) recorded a restricted gain of only 4.0% or so. With a fair profit thus promised, the company will be able to continue a 17.0% dividend without difficulty. Although the company is now in need of a fresh fund for the construction of escalators at its main office (estimated to cost about ¥100 million) and a new annex (costing some ¥400 million), no capi-

tal expansion is likely in the immediate future. Toyoko places the sales target for the half-year term ending January, 1961 at ¥15,800 million with the profit to be boosted to ¥340 million for the continuance of the 17.0% dividend.

Isetan

The sales of Isetan (capitalized at ¥800 million through a capital expansion as of March 1, 1960) in the last half-year term ending November, 1959 amounted to ¥8,400 million, an increase of 24.0% over a year ago. The sales list in the terms under review comprised ¥4,400 million worth of clothing materials including garment (up 22.0% over a year ago), ¥1,300 million worth of sundries (up 21.0%), ¥1,100 million of household utensils (up 30.0%), ¥1,300 million worth of foodstuffs (up 23.0%), and ¥400 million worth of other items (up 50.0%). Isetan's sales for the current half-year term ending May are estimated to reach ¥10,500 million with the prospective profit likely to stand at around ¥270 million. Hence, the 15.0% dividend will be continued with ease.

Hankyu

Hankyu Department Store (capitalized at ¥615 million) has continued fair with the sales rising 21.0% in October (1959: over a year ago), 15.0% in November, and 18.0% in December, and the January sales this year are also estimated to have eclipsed a year ago by more than 20.0%. With the average gain of 20.0% thus guaranteed, the sales for the current half-year term ending March, this year are estimated to stand ¥9,600 million, and the profit for the term will reach ¥370 million. As the profit yield of Hankyu has been largest (about 4.0%) or nearly double the yields enjoyed by other companies, it will be easy for Hankyu to continue the 30.0% dividend. Although there is no immediate demand for fresh capital by the company, it is likely that Hankyu will boost its capital to ¥1,000 million sooner or later to keep pace with capital expansions by other department stores.

Sogo

The sales expansion of Sogo (capitalized at ¥622 million) has been comparatively restricted, as the fair increase at its Kobe

store has been counterbalanced by the standstill of the sales at the Osaka main store, although the total sales increased 5.2% (over a year ago) in November, 1959 and further 8.2% in December. The sales for the current term (ending February, this year) are estimated to amount to ¥7,300 million. The company, in the red for some time, will be enabled to register a profit for the current term, as the rent of its Tokyo store, so far the cardinal cause of the deficit, was markedly reduced as from August, 1959. Under the new arrangement, Sogo is to pay 5.0% of the net sales for each semi-annual term. With the sales in the current term by the Tokyo store estimated to stand at ¥2,300 million, the rent to be paid for the current term will amount roughly to ¥150 million, a saving of about ¥70 million in comparison of the regular ¥183 million rent paid semi-annually in the past under the old arrangement. Whether the company may revive the dividend (so far being passed) for the current term, however, is uncertain.

Matsuya

Matsuya (capitalized at ¥320 million) is expected to register the total sales of about ¥5,800 million for the current term (ending February, 1960), up 12.0% over a year ago, as its two stores (Ginza and Asakusa) fared encouraging well in the year-end season. With expenses during the term under review comfortably cut through rationalization, the actual profit rate for the current term will swell to about 20.0%, and the declared profit will reach 26.0%, enough to continue the 12.0% dividend easily. In view of the successive capital expansions by other companies, Matsuya will also boost probably double its capital in the near future.

Maruzen

Maruzen (capitalized at ¥525 million) in the first five months of the current term (ending January, 1960) registered the sales valued at ¥2,278 million, including books and periodicals worth ¥1,118 million (of which foreign books and periodicals, ¥704 million), stationery worth ¥371 million, mechanical instruments worth ¥367 million, dry goods

worth ¥313 million, and other items worth ¥109 million, and the total sales for the January-term are estimated to have reached ¥2,700 million. Thus, the profit for the term stands at about ¥110 million, enough to continue the present 14.0% dividend. The company will be greatly benefited by the latest trend toward trade liberalization. Business machines such as calculating machines, typewriters, time-recorders and recopying machines from part and parcel of Maruzen's specialties. With the imminent shifting of the imports of these instruments from the fund allocation system to the automatic approval system from April, the sales in this sector are likely to increase, as some specific items like Monroe statistical machines are imported by the company. Maruzen is expected to boost its capital in the near future to finance the construction of the 2nd Maruzen Building.

Marubutsu

The sales by Marubutsu (capitalized at ¥330 million) have been making formidable headway in recent months, with November sales up 24.0% over a year ago, and the total sales for the current term (ending February, this year) are estimated to aggregate ¥2,000 million, or up 17.0% over a year ago. Hence, the profit for the current term will reach ¥65 million (as compared with ¥53 million in the preceding term), sufficiently enough to enable the company to continue the 16.0% dividend with ease. With the one-third capital expansion likely soon, however, the dividend cut by 1-2% may become inevitable. Tokyo-Marubutsu (Shinjuku), its direct subsidiary, is also making a fair showing.

Maruei

Maruei (capitalized at ¥500 million) has been making a steady recovery after its recent reorganization. With the year-end sales estimated to have registered a gain of more than 30.0 percent over a year ago, the total sales for the current (one-year) term ending February will stand at around ¥3,500 million. With the deficit of about ¥400 million brought over from the two preceding terms, however, it will take a few years for the company to revive the dividend.

Business Results of Major Department Stores
(In million yen)

Firms	Sales			B/A	Profit			D/C	Profit Rate (%)		Dividend Rate (%)	
	1958 2nd half (A)	1959 2nd half (B)	1959/1st half, 1958 (C)		1958 2nd half (D)	1959 2nd half (E)	1959/1st half, 1958 (F)		1958 2nd half	1959 2nd half	1958 2nd half	1959 2nd half
Mitsukoshi	18,689	20,500	110	107	600	650	108	109	49	53	20	20
Daimaru	17,954	20,500	114	111	352	400	114	116	44	50	16	16
Takashimaya	15,854	18,200	115	114	365	500	137	120	33	45	15	16
Matsuzakaya	14,384	17,100	119	117	312	350	112	111	31	35	15	17
Toyoko	12,196	13,700	112	—	199	200	101	—	22	22	17	17
Isetan	8,971	10,500	117	124	231	270	117	124	92	77	15	15
Hankyu	8,123	9,600	118	115	309	360	117	109	100	117	30	30
Sogo	6,760	7,200	107	104	—	20	—	—	—	—	—	—
Matsuya	5,201	5,800	115	111	34	41	121	106	21	26	12	12
Maruzen	2,377	2,700	114	110	94	110	117	113	36	42	16	16
Marubutsu	1,715	2,000	117	108	53	65	123	106	32	6	16	16
Maruei	3,043	3,500	115	—	185	0	—	—	—	—	—	—
Total or Average*	100,028	11,410	115	112	2,251	2,766	124	114	41	49	16	16

Notes: Settlement terms (half-yearly) for the 1st half ending July for Toyoko and Maruzen; November for Isetan; March for Hankyu; August for other companies; For the second half ending January for Toyoko and Maruzen; May for Isetan; September for Hankyu; February for other companies; Annual settlement in February for Maruei. * Not including Toyoko and Maruei.

Commodity Market

Cotton Yarn:—Cotton yarn prices were soft in January. Starting the month at ¥193.9 per lb. (Osaka, current-month delivery for 30s singles), the quotation continued receding steadily to fall to ¥189.1 at the end of the month. Responsible for the slip were two major deterrents—the Government's decision to switch raw cotton imports to the automatic approval system in line with the trade liberalization program (as of April, 1960), and the 25% alleviation of the production curtailment. Meanwhile, the inventories of cotton yarns as of the end of December swelled to 515,708 bales, up some 10,514 bales over a month ago, chiefly because of the dwindling demand on the domestic market and the deferment of yarn shipments to Indonesia under a consignment processing plan. The demand continued weak into January. The production of cotton yarns in January totalled 206,800 bales, diving 20,300 bales from the December output due chiefly to the smaller number of working days. Equally dull were yarn shipments. According to customs statistics, January cotton yarn exports stood at 1,125 tons, registering a marked loss of 71.1% from December shipments, and the exports of cotton fabrics also dipped 52.9% to 59,350,000 square metres from December's 125,930,000 metres. The January decline was not taken as a seasonal setback, as they were 30.0% smaller in yarns and 0.8% slimmer in fabrics than a year ago. Thus, the January exports totalled 48,200 bales in terms of yarn (or about 55,000 bales inclusive of secondary products. Meanwhile, the Japan Cotton Spinners Association estimates that yarn inventories will increase some 38,500 bales in the first three months (January through March) to disabie the further slackening of the current cutback rate of 15.0%.

Raw Silk:—Raw silk continued stiff throughout January with the Yokohama quotation ending the month at ¥3,285 per kilogram (¥197,100 per bale) as compared with ¥3,166 (¥189,960) at which started the month. The closing price in January was thus comfortably higher than the Government purchase price of ¥195,000 per bale. According to figures released by the Ministry of Agriculture & Forestry, the production of raw silk in calendar 1959 totalled 318,000 bales, down 5.0% from the 1958 output while export shipments increased sharply by 92.0% to 89,500 bales, and domestic deliveries also hiked 35.0% to ¥275,700 bales. The silk exports in 1959 were the second postwar peak, eclipsed only by 1950 at 94,600 bales. Dwindling stocks and a silk boom in the United States and the suspension of silk exports by Communist China were principal stimulants for the bright silk picture in 1959. The raw silk production in January slipped 35.0% from December to 17,751 bales with the export shipments in the same month also down 35.0% to 5,133 bales. Compared with the corresponding month in 1959, however, the exports were 37.0% larger, although the output was 21.0% smaller. Domestic deliveries in January stood at 17,302 bales, declining 29.0% from December and 10.0% from a year ago, the first slip noted since September, 1958. In the meantime, the production of raw silk in the first half of the current silk year (June, 1959 through May, 1960) amounted to 201,139 bales against the total demand at 233,040 bales with the resultant shortage in supply supplemented with the release from governmental holdings.

Woollen Yarn:—Woollen yarn prices were erratic in January with the Nagoya quotation (current-month delivery) slipping to an all-time low of ¥1,296 per kilogram on January 19, although the reactionary rally brought it back to ¥1,408 at the close of the month. With the imminent shifting of raw wool imports to the automatic approval system in April, however, the market continued dull into February with the quotation again diving below the ¥1,400 mark, and the production curtailment rate, originally planned to be slackened by 3.0%, has been left intact at 30.0% until March. The production of worsted yarn in December amounted to 7,470 tons, registering a new postwar peak and up 2.0% over November (44.0 larger than a year ago at 5,200 tons). The Japan Wool Spinners Association reported the production of woollen and worsted yarns in calendar 1959 totalled 115,957 tons, up 25.0% over the 1958 output and nearing the past high (in 1957) at 116,017 tons. According to the same source, the domestic demand in 1959 amounted to 93,800 tons, up 17.0% over 1958 and eclipsing the 1957 peak of 90,200 tons by 4.0%. The per capita consumption also rose 16.0% to about 1 kilogram in 1959 over 1958. Calendar 1959 exports of woollen and worsted yarns totalled \$120,000,000, increasing 39.7% over 1958 and

topping the past peak of \$101,000,000 in 1957. Exports of woollen fabrics in January, this year totalled 2,510,000 square metres, diving 37.2% from December, but nearly double (up 93.0%) the shipments of 1,300,000 square metres in January, 1959.

Chemical Fibres:—In the field of chemical fibres, the dullness of rayon filament yarn was particularly noteworthy in January. The filament yarn quotation (Osaka: current-month delivery) started January at ¥180.0 per 500 grams, but passed the month into February at ¥175.6. The market continued slow with the new low of ¥170.1 quoted on February 12, well below the past low of ¥171.9 on December 20, 1957, chiefly due to the impact of mounting inventories and the alleviation of the production cutback (by 3.3% to 25.0%) effective as from January. The January output of rayon filament yarn totalled 7,046 tons, up 490 tons or 7.5% over the December output and 1,382 tons or 24.4% larger than a year ago. In contrast, export shipments of rayon filament yarn in January dwindled 23.3% from December to 1,141 tons, and those of rayon filament fabrics also dived 40.4% to 16,020,000 square metres partly due to seasonal deterrents, as they still stood 65.0% and 36.0% higher, respectively, than the shipments a year ago in January, 1959. The export situation is not particularly discouraging for rayon filament yarn, as there is every chance that bulky exports to the Soviet Union will result from negotiations started at the close of January for an arrangement for the exports of 15,000 tons of yarn to the Soviets over the period of three years, 1961 through 1963. Spun rayon yarn quotations followed a crablike zigzag in January, with the month-end quotation standing at ¥124.2 per lb. as compared with ¥124.9 at the start of the month. The January production of rayon staple amounted to 24,695 tons, almost equal to the December output. Export shipments of spun rayon yarn in January stood at 919 tons (down 33.3% from December) and those of spun rayon fabrics also dipped 40.8% to 25,370,000 square metres. As of the end of January, rayon staple stocks registered 6,287 tons, up 5.9% over a month ago.

Polystyrene:—The production of petrochemicals is expected to make a sharp increase upon the completion of the second expansion plan which has started in 1960. Production hikes under the second plan will be especially energetic for polyethylene, polystyrene, styrene monomer, ethylene oxide and ethylene glycol. Of this group, polystyrene is now being manufactured by Mitsubishi-Monsant and Asahi-Dow at the annual capacity of 14,400 tons and 16,800 tons, respectively. With the production at 10,500 tons and the imports at 2,800 tons in fiscal 1958, the production and imports in fiscal 1959 (ending March, 1960) are estimated to reach 15,000 tons and 6,000 tons. Despite the production hike, imports have thus been swelling to cope with the rising demand. In these circumstances, Mitsubishi-Monsant and Asahi-Dow have recently boosted their annual capacities by 7,200 tons and 6,600 tons, respectively, and two other leading chemical firms (Kokan Chemical and Mitsui Petrochemical) are planning to industrialize polystyrene production through the induction of foreign knowhow. Sekisui Chemical, Toyo Koatsu Industries and Dainippon Celluloid are also planning to follow suit with domestic technical knowhow. According to the Ministry of International Trade & Industry, the domestic production of polystyrene will swell to 27,700 tons in fiscal 1960 and further to 33,200 tons in fiscal 1961 with the fiscal 1962 output expected to soar to 38,900 tons, or more than 80.0% larger than the 1959 output.

January Production of Chemical Fibres
(In metric tons)

	January	December as 100.0
Rayon filament yarn	7,046	107.5
Cupra ammonium yarn	1,120	100.6
Rayon staple	24,697	100.4
Acetate yarn	811	98.2
Acetate staple	255	94.2
High-tenacity rayon	2,089	103.1
Vinyon	1,752	104.1
Nylon	3,037	101.6
Vinyliden	237	87.9
Acrylonitriles	1,742	101.8
Polyvinyl chloride	317	96.9
Tetoron	1,634	105.4
Polyethylene	87	108.8
Total	44,824	101.9

Source: Japan Chemical Fibres Association.

Company Notes

New Equipments for Machinery Production (*Mitsubishi Shipbuilding & Engineering Co.*)

Mitsubishi Shipbuilding & Engineering Co. has decided to earmark about ¥3,100 million in expenditures for new plants and equipments for its machinery division in the period of 2.5 years starting January, this year. The company since 1959 has been enlarging its machinery division as a measure for coping with any turn of its shipbuilding division toward declines. With the production of machinery accounting for about 30.0% of the total sales, the company expects to elevate the sales ratio of machinery to 50.0% of the total proceeds within a few years through the expansion of equipments.

Matsuda-K Tri-wheelers to Burma (*Toyo Kogyo Co.*)

A contract for the export of 300 Matsuda-K three-wheelers to Burma has been concluded by Toyo Kogyo Co., manufacturers of midget trucks in Hiroshima prefecture. The new contract has come on the heels of another contract for the sales of 50 K-360 models to Burma signed in July, 1959.

High-Purity Metallic Silicon (*Osaka Titanium Co.*)

A new high-purity metallic silicon plant of Osaka Titanium Co. was put in trial operation on January 14. The new plant, which cost ¥120,000,000, is the largest plant for manufacturing high-purity metallic silicon in Japan completed with purely domestic knowhow, and will be ready for normal operation at the monthly capacity of 80 kilograms from April, this year.

Steel Tires Bound for Iraq (*Sumitomo Metal Industries*)

Sumitomo Metal Industries, Ltd. has inked a contract for the export of 1,000 steel tires to Iraq. The contract, which is valued at ¥28,000,000, calls for shipment by April 15, this year. This is the first sales of Japanese steel tires ever made to that country.

35 mm Cameras To Ansco, U.S. (*Chiyoda Kogaku Seiko*)

A long-term export arrangement involving the minimum annual shipment of 50,000 pieces of "Anscosette" 35 mm cameras has been concluded by Chiyoda Kogaku Seiko K.K. here with Ansco Co., a leading camera and photo film firm in the United States. Under the contract, the first shipment is scheduled to be made in late February.

Mitsubishi's Power Plant to Formosa (*Mitsubishi Group*)

The Mitsubishi industry group (organiz-

ed by leading electric and machinery companies affiliated with the former Mitsubishi interests) has consummated a contract for the export of two sets of 50,000-kw water power plants to the Taiwan Electric Power Corporation, Formosa. The contract, awarded through an international tender held in Taipei in the fall of 1959, is valued at about ¥300,000,000.

Cotton Spinning Machines Cuba-Bound (*Howa Machinery, Ltd.*)

A contract for the export of about ¥200,000,000 worth of cotton spinning machines (aggregating some 15,200 spindles) has been concluded by Howa Machinery Co. The contract, calling for shipment to Cuba, was arranged by Mitsubishi Shoji.

Electric Machines for Pakistani Manure Plant (*Fuji Electric Mfg.*)

Fuji Electric Manufacturing Co., Ltd. has completed a complete set of electric machines required by a modern fertilizer plant (including a 3,500-kw synchronous motor, an induction motor and a feeder switchboard). The completed set will be shipped from Yokohama at the close of February to a new fertilizer mill in Pakistan.

White Carbon Mill Ready (*Tokuyama Soda Co., Ltd.*)

Tokuyama Soda Co., Ltd. has completed erection of a modern white-carbon plant at the total cost of about ¥170,000,000. The new plant, now in operation, places the monthly target at 300 tons. The domestic white carbon output stands at about 2,700 tons a year.

Japanese Dept. Store in Hongkong (*Daimaru Dept. Store*)

A modern department store capitalized at H \$3,000,000 (¥200,000,000) will make its debut in Hongkong as a Chinese-Japanese joint enterprise in this summer. The new store will be jointly financed by Daimaru Department Store Japan (55.0%) and Hongkong's local capitalists (45.0%).

Furukawa's Com. Cable to W. E. (*Furukawa Electric*)

Furukawa Electric Co., Ltd. announced that a contract for the export of ¥140,000,000 worth of pulp-insulated stampe the communication cables has been concluded with Western Electric (U.S.). The contract, which calls for delivery in April, this year, has come on the heels of a series of communication cable exports by Furukawa to W.E. worth ¥500,000,000 contracted since October, 1959.

New Cement Plant (*Nihon Cement*)

Construction of a new cement mill was started by Nihon Cement at its Saitama manufactory February 1. Upon the completion of the new mill (scheduled in June), the monthly production capacity will be boosted 50.0% from the present 62,000 tons to 93,000 tons.

New Fork-Lift (*Toyota Automatic Loom*)

Toyota Automatic Loom Works, Ltd.

will start marketing a new fork-lift of the 1.35-ton capacity through Toyota Motor Co. The new fork-lift (45 p.h. in capacity as compared to the old-model 33 p.h.) has the radius of gyration of 2.06 metres, the smallest of fork-lifts of the 1.35-ton capacity. The new product is priced at ¥970,000.

Diesel Trucks to Ceylon (*Isuzu Motor*)

A contract for the export of 30 diesel trucks has been concluded by Isuzu Motor, Ltd. for shipment to C.W.E. Co. in Ceylon, a semi-governmental corporation. Of the total shipment of 30 trucks, two are completed cars while the remaining 28 trucks will be semi-knock-downs, to be assembled in Ceylon.

Feed from Waste Butanol Liquid (*Kanegafuchi Chemical Industry Co.*)

Kanegafuchi Chemical Industry Co. is scheduled to start manufacturing feedstuff from waste liquid of butanol at the monthly capacity of 130 tons from April. The new product, to be marketed under the trade name of "Kaneke B.D.F.," will be priced at about ¥80,000 per ton. The feedstuff (composition-water content, 6.0%; raw protein, 52.4%; raw fat, 7.7%; and raw ash content, 11.4%) is suitable for poultry feed.

Olympus Microscope to Holland (*Olympus Optical Co.*)

As a first step in its advance to the European market, Olympus Optical Co., Ltd. has concluded a contract with G. Perth Co. of the Netherlands for the export of 818 sets of high-grade microscopes for clinical studies valued at about ¥16,000,000. The contract calls for shipment during calendar 1960.

35 Million-eV Betatron for Radiant Ray Medicine (*Tokyo Shibaura Electric*)

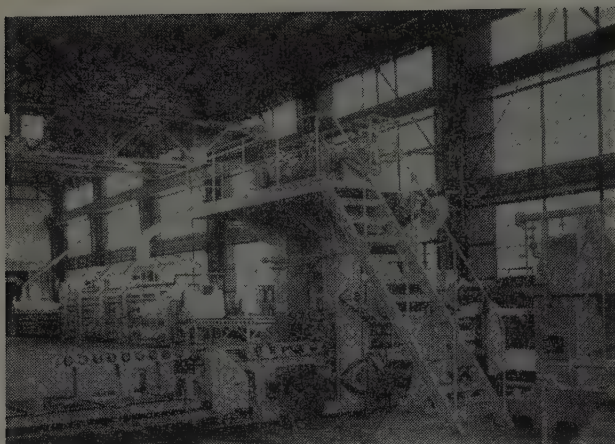
Tokyo Shibaura Electric Co. has received an order from the Radiant Ray Clinical Laboratory of the Science & Technology Agency for a complete set of 35,000,000 electron volt betatron for clinical uses. The betatron under review, to be completed by January, 1961, will be used for basic medical studies and for treatment of lung cancer.

Pilot Plant for Isocyanate (*Hodogaya Chemical*)

Preliminary to the establishment of the Japan Polyurethane Industry Co. through a financial tieup with Nitto Chemical Industry Co. for the manufacture of isocyanate, Hodogaya Chemical Co. has completed a pilot plant (first of the kind in Japan) with the monthly capacity of 15 tons. The new plant has already started operation, ahead of similar isocyanate projects by Mitsui Chemical Industry, Nippon Soda and Kanto Denka Kogyo. The domestic demand for isocyanate, a major raw material for polyurethane resin, is steadily increasing, and is expected to reach 10,000 tons annually in the near future. The Japan Polyurethane Industry, a joint venture of Hodogaya and Nitto, will operate soon with the technical process inducted from Farbenfabriken Bayer, A.G. (West Germany).

Company of the Month

FUJIKOSHI STEEL INDUSTRY CO., LTD.



Four-high thin plate cold rolling mill, newly installed in June, 1959

MAJOR products of Fujikoshi Steel Industry Co., Ltd., widely known under the "NACHI" brand, may be roughly classified into four categories—tools, bearings, machine tools, and steel products. In the company's sales for the half-year term ending November, 1959 totalling ¥3,636 million, bearings accounted for the largest part (53.0%) of ¥1,914 million with tools coming second at ¥1,211 million, followed by steel products worth ¥301 million and machine tools at ¥210 million, as shown in Table 1. Starting with the manufacture of hack-saw blades in 1928, Fujikoshi Steel Industry has now grown into one of the leading makers of bearings, occupying an important position in the "Big 5" bearing fabricators in this country (other four firms being Nippon Seiko, Toyo Bearing Seizo, Koyo Seiko and Asahi Seiko). In the annual amount of sales of bearings alone, Fujikoshi Steel Industry ranks fourth among the "Big 5, but it topped all other four firms in the volume of total sales for the term ending November, 1959 at ¥3,636 million, well above Nippon Seiko's ¥3,043 million (for the half-year term ended October, 1959). It also towers high among the "Big 5" in the amount of paid-up capital, as its capital of ¥1,871,100,000 is 17.0% larger than Nippon Seiko's. Next in importance on the list of the company's specialties is a variety of tools including hack-saws, drills and micrometers.

1. Fujikoshi Steel Industry's Sales

(In million yen)

Half-year Term ending	Tools	Bearings	Jigs, Machine tools	Steel products	Total
Nov., 1954	536	870	71	55	1,533
May, 1955	502	748	66	85	1,400
Nov., 1955	540	750	66	81	1,436
May, 1956	569	923	67	157	1,715
Nov., 1956	905	1,175	83	210	2,374
May, 1957	1,107	1,598	63	256	3,023
Nov., 1957	1,212	1,555	132	192	3,090
May, 1958	948	1,279	127	85	2,440
Nov., 1958	892	1,155	190	90	2,326
May, 1959	1,019	1,444	171	183	2,817
Nov., 1959	1,211	1,914	210	301	3,636

Koki Imura, founder and president of the company, was formerly affiliated with the power industry (having a seat on the staff of Chuetsu Hydro-Electric Co.), and started manufacturing tools as the first specialty of the company by utilizing electric power. Tools thus still

account for one-third of the total sales of the company. Machine tools constitute another cardinal division of Fujikoshi Steel Industry's business with its broaching machines particularly well known on the domestic and overseas markets. In recent years, the company has also begun to attach importance to hydraulic pumps which incidentally attracted close attention of visitors to the 1959 Tokyo International Trade Fair.

From Steel to Finished Machines

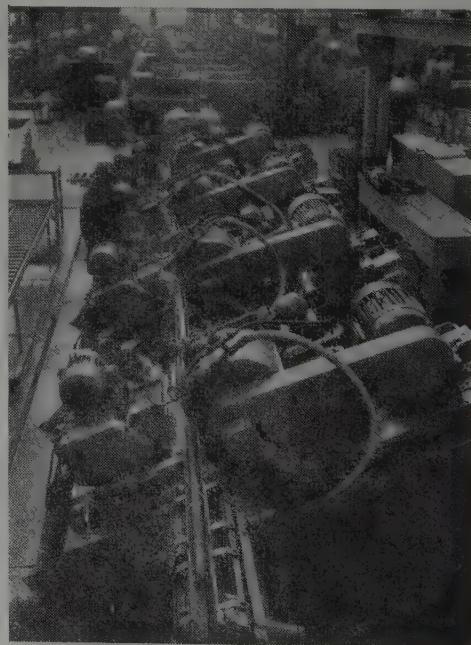
Production of special steels at its own plant is another unique feature of Fujikoshi Steel Industry. While all other leading bearing manufacturers have to depend on the supply of bearing steel from steel manufacturers, this company is completely self-supplied in all essential steel materials required for making bearings and some other items. The annual production of bearing steel by Fujikoshi Steel Industry is almost equal to that of a specialized steel maker on a small scale. All principal products of the company like bearings, tools, jigs and machine tools are manufactured exclusively at its Toyama Factory covering a total space of 76,000m², while steel products alone are produced at its Higashi-Toyama Steel Works covering 41,000m². The semi-annual production of steel ingots at the Higashi-Toyama Steel Works amounts to 15,648 tons valued at ¥1,210,520,000 for the half-year term ended November, 1959, of which the Toyama Factory took about 80.0% for manufacturing bearings, machine tools and other specialties, and the remaining 20.0% was marketed.

2. Fujikoshi Steel Industry's Exports

(In ¥1,000)

	Half-Year Term ending	
	May, 1959	Nov., 1959
Tools	15,050	24,491
Bearings	112,119	144,770
Steel products	2,095	929
Total	129,264	170,190

Of the total production of bearings (ball and roller inclusive), deliveries to manufacturers of light vehicles and industrial machines account for about 70.0%. In the sales of bearings for the half-year term ended November, 1959, manufacturers of light vehicles took 37.0% and industrial machinery makers took 34.0% (33.0% and 36.0%, respectively, in the preceding term ended May,



Four-in-one Centerless Grinder



Straight Drill Grooving Mill

company, Argentina has continued to tower high, as noted in Table 3, with the shipments to the Republic of Korea also on the steady hike. During the half-year period ended November, 1958, the sales of bearings to Communist China amounted to ¥11,394,000, although the shipments to Continental China have since ceased due to the suspension of trade relations between Japan and that country.

3. Fujikoshi Steel Industry's Export Shipments by Destination

(In ¥1,000)

	Half-Year Term ending	
	May, 1959	Nov., 1959
Argentina	87,299	41,326
Formosa	16,274	34,046
U.S.A.	7,234	9,463
Pakistan	1,156	1,394
ROK	868	66,244
Hongkong	855	987
Australia	619	3,145
Okinawa	315	356
Brazil	288	8,311
Total (including other customers).	129,264	170,190

Meanwhile, major export markets for Fujikoshi Steel Industry's products may be classified into two categories—the first group taking bearings and the second group importing tools. Outstanding in the first group are Formosa, the Republic of Korea and Okinawa while Europe and the United States predominate as the destinations of bearings, although bearings were shipped in increasing quantities to Korea and Okinawa in the half-year term ended November, 1959. Of the total exports of tools in the term under review totalling ¥24,491,000, Formosa took ¥23,268,000 worth, while the export sales of bearings aggregating ¥144,770,000 in the same term counted mainly on Korea (¥65,844,000), Argentina (¥41,311,000), and Formosa (¥10,066,000).

In the domestic sales of Fujikoshi Steel Industry's products, the company enjoys the coordinated operation of a wide network of local agents. As of the end of May, 1959, the company had 115 local agents throughout the country, including 44 in the Tokyo metropolitan area and 40 in the Osaka municipal area. For the sales of small tools, the company adopted in 1958 a "mutual aid fund" system as a new sales promotion medium by creating the

1959). In the two terms under review, exports of bearings reached about 5.0% of the total output. The weight of exports has been steadily increasing, as shown in Table 2. As noted, bearings accounted for 8.0% of the total sales and tools for 2.0% in the exports for the period from June, 1958 through May, 1959. As principal customers for export products by the com-

"NACHI" Tools Sales Society for the extension of all necessary helps to local agents handling "NACHI" tools.

4. Growth of Fujikoshi Steel Industry's Sales

(In million yen)

Half-Year Term ending	Sales	Profit	Profit rate (%)	Dividend rate (%)
May, 1957	3,023	262	31	15
Nov., 1957	3,090	42	5	—
May, 1958	2,440	11	1	—
Nov., 1958	2,323	11	1	—
May, 1959	2,817	55	6	—
Nov., 1959	3,636	284	30	12

Financial Improvement Noted

As shown in Table 1, the business of Fujikoshi Steel Industry made a noteworthy improvement in the half-year term ended November, 1959 while the profit for the term registered a bulky (5-fold) increase over the preceding term to enable the revival of a 5.0% dividend per annum. With the new business boom in swing, the future outlook for the company's business is bright. The prospective sales for the current term (ending May, 1960) are estimated to reach ¥4,600 million. The monthly average of new orders received, which registered around ¥800 million in the half-year term ended November, 1959, has later swelled to well over ¥800 million.

Representative products of Fujikoshi Steel Industry Co., Ltd. comprise: 1) Bearings & steel balls—radial ball bearings, thrust ball bearings, magnet-type ball bearings, Excell-o type ball bearings, spherical roller bearings, cylindrical roller bearings, tapered roller bearings, and steel balls: 2) Cutting tools—hack saw blades, metal band saws, twist drills, reamers, end mills, milling cutters, cold saws, cast cutters, threading tools (taps, chasers, die heads, screw bits, thread milling cutters), gear cutters (hobs, pinion cutters, rack type cutters, gleason gear cutters, shaving cutters), broaches, cemented carbide tools, and tool bits: 3) Jigs & fixtures—All kinds of jigs (for drilling, lathing, milling, boring, planing, grinding, broaching, etc.), and a wide variety of fixtures: 4) Machine tools & parts thereof—Broaching machines, broach sharpeners, hob sharpeners, deep-hole drilling machines, drill pointers, multi-spindle single-purpose machines, special-purpose machines and grinding spindles: 5) Hydraulic pumps & valves—Hydraulic pumps, hydraulic valves, and pump units: 6) Measuring instruments—Micrometer calipers (inside micrometer calipers, outside micrometer calipers, gear-thickness micrometer calipers, tube-thickness micrometer calipers, point micrometer calipers; screw thread gauges, plug gauges, ring gauges, snap gauges, limit gauges, profile gauges, taper gauges; block gauges, gear inspection instruments: 7) Special steel and foundry products—bearing steel, high speed steel, special tool steel, die steel, case-hardening steel, special coils, drill rods, and iron castings.



Jig Borer Shop in the Machine Mill

The Catalogue number of Fujikoshi Steel is "125".

1. Business Indices

Items	Units & Standards	1957 Ave.	1958 Ave.	1959 Ave.	1959						1958	
					Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	***	
Finance & Banking												
Treasury Acct. with the Public (1)	Fiscal Year * ¥100,000,000	2,597	2,510	..	601	99	1,243	1,118	1,110	1,326	972	
Bank of Japan Accounts (2) End of Year or Month	¥100,000,000	8,371	8,910	10,294	7,794	7,853	8,113	8,423	10,294	8,740	7,500	
Bank Note Issues . . . . .	..	5,519	3,793	3,379	4,139	4,175	3,388	2,431	3,379	2,978	3,361
Loans Total . . . . .	..	3,872	5,360	6,448	3,107	3,066	4,327	5,359	6,448	5,027	4,186
Government Bonds . . . . .	..	..	..	..	..	..	..	..	..	..	..
Postal Savings and Postal Transfer Savings (3) End of Year or Month	..	7,654	8,597	..	9,086	9,193	9,254	9,277	..	..	7,985
All Banks Account (2) End of Year or Month	..	..	..	..	..	..	..	..	..	..	..
Deposits . . . . .	..	55,048	64,840	74,136	67,339	69,394	69,245	71,053	74,136	73,134	63,339
Loans . . . . .	..	50,244	58,129	68,028	62,886	64,192	64,617	65,956	68,028	68,218	57,949
Clearings of Bills (4)	..	..	..	..	..	..	..	..	..	..	..
Number	1,000 bills	161,191	166,838	183,445	14,976	15,187	15,673	15,136	21,500	..	19,843	
Amount	¥100,000,000	511,712	569,395	571,905	45,410	50,410	49,062	45,215	59,747	..	60,207	
Interest Rate on Loan of All Banks (2)	Per Diem Rate for ¥100	2.304	2.333	2.223	2.209	2.207	2.209	2.209	2.223	..	2.266	
Stocks												
Average Share Price(Tokyo Stock Exchange) (5)	..	..	..	..	..	..	..	..	..	..	..
Dow Jones**	Yen	535.57	571.97	821.57	863.12	893.43	934.99	948.98	923.78	932.08	676.26	
Simple Arithmetic Means . . . . .	..	114.10	110.36	146.39	154.45	156.89	158.54	160.42	152.36	150.34	126.92
Tokyo Stock Exchange (5)	..	..	..	..	..	..	..	..	..	..	..
Total Turnovers	Million Stock	7,692	11,684	21,201	1,495	2,142	2,914	2,329	1,823	1,669	1,240	
Investment Yields	%	7.14	6.66	4.54	4.11	4.30	4.11	4.13	4.70	4.43	5.16	
Prices												
Bank of Japan Wholesale Price Indices (2)	..	..	..	..	..	..	..	..	..	..	..
Total Average	1952=100	105.3	98.4	99.5	99.7	100.1	101.0	101.8	101.6	101.5	97.8	
Producer Goods . . . . .	..	107.5	97.8	98.8	99.3	99.5	100.2	100.6	100.3	100.0	96.7
Consumer Goods . . . . .	..	102.2	99.3	100.3	100.3	100.9	102.1	103.4	103.4	103.5	99.2
Consumers Price Indices (6)	..	..	..	..	..	..	..	..	..	..	..
All City Average	1955=100	103.5	103.0	104.1	105.4	104.4	105.9	105.3	105.3	105.3	103.1	
Tokyo . . . . .	..	103.9	104.9	106.3	107.1	106.5	107.8	107.9	108.0	108.8	106.1
Tokyo Retail Price Indices (2)	1952=100	104.4	103.2	102.9	104.5	103.1	104.5	103.2	103.4	104.2	102.2	
Tokyo Living Cost Indices (7)	1946. 11=100	869.3	871.7	879.1	872.8	886.9	901.8	894.0	890.8	908.1	863.2	
Foreign Trade Price Indices (1)	..	..	..	..	..	..	..	..	..	..	..
Exports	1953=100	97.4	90.7	..	90.8	91.2	91.8	92.9	93.2	..	89.0	
Imports . . . . .	..	101.4	88.4	..	84.4	83.4	83.0	82.5	82.7	..	84.8
Foreign Trade												
Exports & Imports (1)	..	..	..	..	..	..	..	..	..	..	..
Exports	Million Dollars	2,858	2,877	3,457	301	283	345	293	394	218	175	
Imports . . . . .	..	4,284	3,033	3,598	290	299	298	290	373	330	241
Balance . . . . .	..	1,426	156	141	11	16	48	3	21	112	66
Foreign Trade Volume Indices (1)	..	..	..	..	..	..	..	..	..	..	..
Exports	1953=100	231.5	240.4	..	293.6	278.9	332.1	286.2	..	..	238.7
Imports . . . . .	..	172.4	141.8	..	169.3	178.5	181.9	175.1	..	..	132.3
Foreign Exchange Accounts (2)	..	..	..	..	..	..	..	..	..	..	..
Total Receipts	Million Dollars	3,643	3,510	4,046	343	360	372	346	397	..	348	
Total Expenditure . . . . .	..	4,175	2,999	3,565	361	309	307	318	371	..	283
Balance . . . . .	..	533	511	481	18	51	65	28	26	..	65
Foreign Currency Reserve (1) . . . . .	..	738	629	..	1,181	1,209	1,250	1,291	1,322	1,328	868
Production & Inventories												
Producer Delivery Indices (8)	..	..	..	..	..	..	..	..	..	..	..
All Industries	1955=100	143.3	144.2	177.8	179.2	186.0	189.6	192.3	204.0	..	156.9	
Mining & Manufacturing . . . . .	..	144.5	144.8	179.6	181.0	188.4	191.7	194.7	206.1	..	157.4
Manufacturing . . . . .	..	146.4	147.0	184.8	186.9	194.0	197.4	201.3	213.1	..	160.1
Raw Material Inventories Indices (8)	..	163.2	160.8	170.1	178.7	179.8	178.8	177.0	176.9	..	157.8	
Producer Goods Inventories Indices (8)	..	..	..	..	..	..	..	..	..	..	..
Mining & Manufacturing . . . . .	..	126.5	152.7	152.4	155.5	155.1	158.4	160.7	159.6	..	149.0
Sellers Inventories Indices (8)	..	145.1	154.6	..	166.6	165.2	158.7	158.0	..	..	152.6
Construction Works Started (9)	..	..	..	..	..	..	..	..	..	..	..
For Private Living	1,000 SM	22,413	23,194	..	2,268	2,219	2,076	2,104	..	..	1,992
Others . . . . .	..	21,332	19,970	..	2,106	2,360	2,199	2,133	..	..	2,312
Order Received for Machinery (10)	¥100,000,000	..	4,783	..	529	746	671	629	..	..	309
Warehouse Inventories (8 Biggest Cities) (11)	1,000 tons	3,017	2,719	..	2,958	2,961	..	..	..	..	2,703
Railroad Carloadings (12)	..	179,992	167,047	177,757	14,468	14,825	15,726	15,595	16,346	14,115	12,932	
All Japan Department Store Sales (8)	¥million	309,950	338,370	388,421	27,026	23,231	32,579	33,786	76,782	..	64,235	
Labor, Household Budget												
Employment Indices (Regular Employees) (13)	..	..	..	..	..	..	..	..	..	..	..
Manufacturing	1955=100	122.7	125.4	..	138.0	139.0	139.4	139.8	..	..	126.0
Employment Total (6)	10,000	4,284	4,312	4,370	4,425	4,367	4,548	4,456	4,248	..	4,252	
Agricultural Employment . . . . .	..	1,607	1,547	1,537	1,603	1,610	1,757	1,611	1,378	..	1,354
Non-Agricultural Employment . . . . .	..	2,677	2,765	2,833	2,822	2,757	2,790	2,873	2,869	..	2,898
Total Unemployment (6) . . . . .	..	52	56	58	59	45	41	44	46	..	53
Regular Employee Cash Wage Total (13)	..	..	..	..	..	..	..	..	..	..	..
Manufacturing	Monthly - yen	19,259	19,180	..	18,329	17,659	17,777	18,649	..	..	17,024
Regular Employees Real Wage Indices (13)	..	..	..	..	..	..	..	..	..	..	..
Manufacturing . . . . .	..	109.3	112.8	..	105.4	99.8	101.7	107.3	..	..	99.8
Wage Earners Household Budget (All Cities) (6)	..	..	..	..	..	..	..	..	..	..	..
Income	Monthly - yen	32,664	34,663	36,873	33,606	32,217	32,600	32,988	74,834	..	68,406	
Expenditure . . . . .	..	28,946	30,638	32,126	30,442	28,670	30,836	30,575	53,478	..	50,330
Consumer Standards (10)	..	..	..	..	..	..	..	..	..	..	..
All Cities	1955 F.Y.=100	109.8	116.9	..	114.3	113.7	116.8	120.6	..	..	115.5

Source: (1) Finance Ministry. (2) Bank of Japan. (3) Ministry of Postal Services. (4) Tokyo Clearing House. (5) Tokyo Stock Exchange. (6) Statistics Bureau. Prime Minister's Office. (7) The Oriental Economist. (8) Ministry of International Trade & Industry. (9) Ministry of Construction. (10) Economic Planning Agency. (11) Transportation Ministry. (12) Japanese National Railways. (13) Labor Ministry.

Notes: *as of March. **New version of Dow-Jones average is in effect since January, 1959. For the continuity of indexes, however, *The Oriental Economist* carries the old version re-calculated and adjusted from the new version. *** Corresponding months a year ago. * Revised at source.

2. Treasury Accounts with the Public

(In ¥100,000,000)

(Ministry of Finance.)

Items	Fiscal 1958				Fiscal 1959						Fiscal 1958
	July— Sept.	Oct.— Dec.	Jan.— Mar.	Total	Apr.— June	July— Sept.	Oct.— Dec.	Nov.	Dec.	Jan.	Jan.
General Account											
Revenue											
Taxes	2,563	2,485	2,681	10,151	2,620	2,880	3,012	760	1,499	997	816
Monopoly	314	211	246	1,176	396	344	225	63	89	58	16
Others	83	115	105	459	193	105	118	36	44	27	23
Total	2,960	2,811	3,032	11,786	3,329	3,329	3,356	859	1,641	1,082	860
Expenditure											
Security Forces	150	126	124	506	103	116	108	21	35	39	60
Defense Agency	207	354	254	1,159	395	231	390	83	219	59	67
Public Works Expenditure	203	345	312	1,175	230	235	421	47	300	25	18
Local Finance Equalization Grants	614	613	282	2,566	1,171	724	647	495	61	36	44
Compulsory Education Expenditure	194	288	228	952	261	192	346	62	221	66	61
Others	977	1,367	925	4,397	1,137	913	1,375	362	637	253	231
Total	2,345	3,093	2,125	10,755	3,297	2,411	3,289	1,070	1,473	478	481
Balance	615	718	907	1,031	78	918	69	211	168	604	379
Special Accounts and Others											
Foodstuff Control	329	1,411	804	64	953	445	1,462	555	35	282	238
Trust Funds Bureau	67	295	147	504	214	32	645	116	116	8	18
Industrial Investment	52	19	90	43	44	30	44	15	15	7	15
Road Improvement	—	—	—	—	187	161	291	57	162	15	10
National Railways and Nippon Telegraph & Tel. Public Corporation	116	236	316	123	97	181	329	25	392	212	215
Finance Corporation	288	399	310	1,295	310	255	441	102	222	60	76
Others	136	156	275	64	147	356	119	9	9	386	251
Total	246	2,516	1,142	1,591	46	262	3,066	701	1,161	790	621
Adjustment Items	28	26	52	15	118	8	22	31	12	19	20
Foreign Exchange	572	686	350	1,935	473	411	495	174	129	49	8
Balance	231	3,456	1,751	2,510	725	237	3,470	1,117	1,110	1,326	972

3. Monthly Report of All Banks

(November 1959 Excluding Bank of Japan)

(In million yen)

(Bank of Japan)

	All Banks							Trust Account (16)
	Debiture Issuing Banks (3)	City Banks (13)	Local Banks (64)	Trust Banks (6)	Total (86)	Leftover from Pre. mo. (86)	Month-end, previous year (87)	
Deposits								
Current Deposits	23,202	755,467	205,185	52,501	1,036,358	1,032,578	1,211,571	—
Ordinary Deposits	8,277	683,630	438,442	26,198	1,156,358	1,128,585	1,025,170	—
Deposits at Notice	35,649	328,603	110,059	47,263	521,575	510,848	444,208	—
Time Deposits	15,710	2,314,052	1,318,592	82,325	3,730,681	3,693,624	3,045,704	—
Special Deposits	5,869	234,720	74,900	12,427	327,917	228,031	218,514	—
Instalment Savings	—	47,715	13,416	3,399	185,531	183,683	171,164	—
Deposits for Tax Payment	247	9,486	2,951	213	12,899	16,779	10,224	—
Deposits of Gov't and Gov't Agencies	511	132,282	—	—	132,793	129,482	108,841	* 239,923
Other Deposits	58	1,006	—	—	1,065	954	806	** 343,546
Total	89,527	4,506,965	2,284,550	224,329	7,105,372	6,924,568	6,236,205	—
Borrowed Money	14,216	365,119	6,265	6,271	391,872	453,463	382,634	—
Due to the Bank of Japan Only	2,674	202,243	3,290	567	208,776	300,691	306,629	—
Borrowings for Settlement of Import Bills	475	24,533	108	—	25,117	26,686	34,965	—
Call Money	2,048	286,200	19,870	12,781	320,900	262,272	279,362	—
Cash and Deposits								
Cash in Hand	16,535	688,508	149,208	35,254	899,507	857,149	982,944	2,847
Deposits with Domestic Money Organs	1,790	16,241	30,101	4,700	52,883	57,326	26,947	1,405
Call Loans	11,060	3,470	108,142	8,755	131,427	101,492	107,662	92,563
Securities								
Government Bonds	2,015	34,042	8,786	438	45,282	45,353	47,124	25
Local Government Bonds	3,975	55,693	30,172	275	90,116	89,473	85,126	1,850
Foreign Bonds	12	1,736	—	—	1,749	1,749	2,710	—
Corporate Debentures	33,413	495,674	325,232	16,656	870,976	853,331	662,498	5,921
Stocks	15,781	108,107	35,749	7,248	166,823	164,761	139,476	6,849
Other Bonds	324	658	1,566	4,477	7,027	7,100	4,308	29
Total	55,459	695,911	401,507	29,096	1,181,975	1,161,769	941,244	14,676
Advance								
Discount Bills	15,361	1,408,087	542,523	101,956	2,067,930	2,021,188	1,705,713	12,997
Bank Acceptance Bills	—	1,134	17,691	9	18,835	13,865	21,509	—
Commercial Bills	15,361	1,405,626	522,799	101,942	2,045,730	2,004,326	1,681,092	—
Documentary Bills	—	1,326	2,033	4	3,363	2,996	3,112	—
Advances against Guarantee	716,867	2,409,265	1,257,461	96,300	4,479,895	4,396,598	3,881,315	536,149
Loans on Bills	58,476	2,340,424	1,198,438	93,825	3,691,165	3,621,727	3,245,508	133,737
Loans on Deeds	658,301	27,870	43,143	1,740	731,055	718,717	588,889	146,031
Overdrafts	90	40,970	15,875	734	57,674	56,152	46,917	—
Loans for Settlement of Import Bills	849	45,475	1,168	346	47,839	43,997	56,147	—
Total	733,079	3,862,828	1,801,154	198,603	6,595,665	6,461,783	5,643,176	549,146

Note : * Money in trust total ** Loan trust. Figures in parentheses denote the number of banks surveyed.

4. Bank of Japan Ten-day Report

(In million yen)
(Bank of Japan)

5. Outstanding Loans to Industries by All Banks

(In million yen)
(Bank of Japan)

Items	1960			1959
	Jan. 10	Jan. 20	Jan. 31	Jan. 31
LIABILITIES				
Bank Notes Issued	840,375	800,079	874,007	750,094
Bankers' Deposits	72,020	61,425	26,220	4,485
Government Deposits . . .	40,138	42,736	47,524	42,024
Other Deposits	15,623	16,005	13,287	14,730
Reserves Against Contingencies	46,028	46,028	46,028	40,809
Other Liabilities	38,565	39,065	39,832	54,846
Capital Stock	100	100	100	100
Reserve Funds	27,115	27,115	27,115	23,527
Total	1,079,966	1,032,556	1,074,117	930,619
ASSETS				
Bullion	25,521	25,521	25,521	447
Cash	3,686	5,668	6,638	5,606
Discounted Bills	61,328	59,727	62,500	44,137
Loans	215,732	202,886	235,397	292,022
Foreign Exchange Loans . .	—	—	—	—
Loans to Gov't	—	—	—	—
Government Bonds	535,910	501,145	502,757	418,620
Foreign Ex. Accounts . . .	199,473	199,670	199,964	121,045
Agencies Accounts	12,420	12,392	15,632	12,159
Other Assets	25,889	25,544	25,706	36,581
Total	1,079,966	1,032,556	1,074,117	930,619

End of Month	October 1959			November 1959		
	Loans Total	For Equipments	For Co. of ¥10 Million or less	Loans Total	For Equipments	For Co. of ¥10 Million or less
Manufacturing total	3,168,895	460,404	833,597	3,285,198	474,653	869,107
Foodstuffs	259,032	15,875	123,141	271,321	16,447	131,195
Textiles	644,167	62,691	221,508	651,849	63,709	222,078
Wood and Wood Products . .	117,724	3,923	98,415	183,727	4,003	103,525
Paper & Related Products . .	187,085	39,039	29,199	193,122	40,327	31,105
Printing & Publishing . . .	63,052	6,705	22,476	66,638	6,949	23,520
Chemicals	396,370	96,697	42,371	408,760	98,895	54,153
Glass & Ceramics	117,186	22,152	22,235	122,347	23,276	23,342
Iron & Steel	335,404	89,765	27,365	341,649	92,112	28,582
Non-ferrous Metals	95,320	12,400	17,194	99,381	12,441	17,441
Machinery	161,573	12,025	68,203	171,305	12,544	71,999
Electric Machinery & Tools .	256,560	36,351	28,156	271,104	38,257	30,772
Trans. Machinery & Tools . .	225,566	23,181	26,722	241,782	24,336	28,307
Agriculture	16,024	818	15,750	15,762	851	15,438
Forestry & Hunting	13,168	80	10,570	14,450	84	11,465
Fishery	76,924	23,285	22,958	87,630	23,491	23,874
Mining	150,180	34,396	16,005	158,052	34,946	16,354
Metal Mining	36,609	9,143	1,094	38,808	9,238	1,130
Coal Mining	94,539	18,826	9,392	99,060	19,100	9,370
Construction	163,743	5,197	66,267	170,227	5,584	68,890
Wholesale & Retail	1,948,200	31,104	920,244	2,000,129	31,886	947,504
Wholesale	1,759,120	17,227	788,043	1,810,247	17,614	810,861
Retail	189,079	13,877	132,200	189,982	14,272	136,643
Finance Insurance	104,463	218	12,345	108,627	224	13,334
Real Estate	47,730	16,427	20,093	49,793	17,235	20,740
Trans. & Communications . .	331,352	166,020	36,289	344,238	168,370	39,245
Railways	64,852	24,557	301	68,473	25,676	370
Shipping	161,593	112,300	49,292	163,096	112,383	14,486
Public Utilities	257,445	242,548	294	251,992	237,133	308
Services	223,953	40,939	86,103	145,524	43,531	92,963
Local Public Corporation . .	38,308	12,594	—	39,666	12,652	—
Others	87,100	5,997	87,100	89,009	6,340	88,997
Total	6,537,940	1,040,034	2,127,622	6,751,304	1,056,987	2,208,222

6. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate Over-Month-End (sen)	Unconditional (sen)	Balance at the End of the Month (million yen)	Rate Over-Month-End (sen)	Unconditional (sen)	Balance at the End of the Month (million yen)
1959: Aug . .	2.30	2.30	147,850	2.30	2.30	39,821
Sept. . . .	2.30	2.30	150,306	2.30	2.30	37,456
Oct.	2.30	2.30	205,999	2.30	2.30	45,792
Nov.	2.30	2.30	247,674	2.30	2.30	57,056
Dec.	2.30	2.30	214,165	2.30	2.30	54,259
1960: Jan. . .	2.30	2.30	221,256	2.30	2.30	54,781
1959: Jan. . .	2.40	2.10	129,155	2.20	2.10	39,793

7. Postal Savings & Postal Transfer Savings

(In million)
(Ministry of Postal Services)

End of Month	Postal Savings			Postal Transfer Savings	Total
	Receipts	Payments	Balance		
1959: June . . .	75,607	58,510	870,086	8,354	878,400
July	92,911	66,039	896,958	9,220	906,178
Aug.	63,723	59,883	900,847	7,713	908,560
Sept.	64,165	61,987	903,024	16,294	919,319
Oct.	84,352	71,310	916,067	9,336	925,403
Nov.	61,804	60,059	916,986	9,847	926,834
1958: Nov. . . .	50,773	51,272	789,696	8,814	798,511

8. Bank Clearings

(In billion yen)
(Tokyo Clearing House)

Year & Month	All Clearing		Tokyo		Osaka	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
1959: Apr. . .	(1,000)	4,741	(1,000)	5,744	(1,000)	1,013
May	14,220	4,311	5,558	2,256	2,923	929
June	14,452	4,796	6,601	2,052	2,959	1,043
July	15,686	4,608	6,372	2,276	3,396	993
Aug.	14,976	4,541	5,932	2,187	3,169	978
Sept.	15,187	5,041	6,047	2,146	3,110	1,017
Oct.	15,673	4,906	6,304	2,468	3,129	1,012
Nov.	15,136	4,522	6,038	2,376	3,238	923
Dec.	21,500	5,975	8,490	2,186	3,129	1,208
1958: Dec. . .	19,843	6,021	7,851	2,884	4,458	1,359

9. Average Yields of Debentures

(Industrial Bank of Japan)

Month	Gov't Bonds	Local Gov't Bonds	Financial Debenture		Industrial Debenture
			Interest Bearing	Discount	
1959: Apr. . . .	—	7.720	7.621	6.643	7.891
May	—	7.693	7.621	6.643	7.893
June	6.324	7.720	7.621	6.643	7.894
July	—	7.720	7.621	6.643	7.900
Aug.	—	7.720	7.621	6.643	7.909
Sept.	6.324	7.720	7.621	6.643	7.905
Oct.	—	7.709	7.621	6.643	7.902
Nov.	—	7.691	7.621	6.643	7.913
Dec.	6.324	7.682	7.621	6.643	7.899
1958: Dec. . . .	6.324	7.720	7.621	6.643	7.905

Note: Table 6: How to Compute Per Diem Interest: In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in vogue in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate, multiply the latter by 365. For example, a per diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

10. Government Bonds

(In million yen)

(Bank of Japan)

End of Month	Government Bonds			Foreign Exchange Fund Bills			Food Notes		
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance
1959: Aug.	723	176	401,060	72,000	75,589	181,000	157,032	213,895	193,160
Sept.	69,306	13,814	456,552	131,000	139,994	172,006	66,005	62,113	197,052
Oct.	605	1,119	456,038	84,002	47,006	209,002	258,015	148,886	306,181
Nov.	389	431	455,996	153,000	229,000	133,005	58,166	381,020	
Dec.	7,789	3,354	460,430	127,000	119,000	237,000	307,052	285,982	402,090
1958: Dec.	3,533	10,363	398,079	103,000	80,000	158,000	241,006	161,023	360,006

11. Corporate Debentures & Public Corporation Bonds

(In million yen)

(Industrial Bank of Japan)

End of Month	Banking Bonds			Corporate Debentures			Total			Public Corporation Bonds		
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance
1959: July . . .	27,283	12,740	735,868	14,360	3,073	480,311	47,965	15,960	1,443,623	6,322	146	227,459
Aug.	28,483	13,698	750,653	13,770	3,411	490,697	48,710	17,482	1,474,845	6,456	372	233,544
Sept.	31,955	15,634	766,974	16,100	4,984	501,795	54,836	21,329	1,508,383	6,780	710	239,613
Oct.	35,899	17,497	785,376	15,745	4,025	513,531	58,498	21,947	1,544,951	6,853	424	246,043
Nov.	34,912	17,380	802,908	17,957	4,526	526,562	59,436	22,214	1,582,173	6,567	307	252,302
Dec.	39,984	19,524	823,368	16,495	3,733	539,687	63,310	23,292	1,622,155	6,830	34,190	259,099
1958: Dec. . . .	27,080	12,554	631,691	11,862	3,080	394,957	38,943	15,634	1,223,085	3,987	—	196,436

12. Contracts & Investments of Mutual Life Insurance Companies

(In million yen)

(Mutual Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1959: August . . .	138,767	4,851,422	310,461	6,367	126,174	9,873	114,430	42,678	3,372	7,018
September . . .	201,397	4,952,570	317,091	3,679	130,533	10,094	118,567	43,754	4,968	8,096
October	193,884	5,021,068	324,015	7,115	132,214	10,423	119,911	44,683	3,692	7,229
November . . .	272,695	5,222,238	330,873	8,743	133,612	10,930	120,999	45,842	4,462	7,774
1958: November . .	218,018	4,207,043	239,268	5,615	115,323	8,250	105,204	36,984	4,009	6,611

13. Contracts & Investments of Non-Life Insurance Companies

(In million yen)

(Non-Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Deposits	Cash	Asset Total (Inc. Others)
					Total	Debentures	Stocks				
1959: Aug.	1,922,767	11,730,147	22,951	3,669	68,113	3,917	59,367	17,714	30,188	460	161,721
Sept.	2,006,339	11,882,734	22,960	2,589	68,961	4,105	60,235	17,901	32,753	555	164,366
Oct.	2,217,343	12,060,697	23,504	4,800	69,758	4,097	60,979	18,074	30,713	458	167,113
Nov.	2,292,733	12,306,177	23,559	4,782	70,659	4,223	61,673	18,222	31,174	552	170,410
1958: Nov.	1,855,482	10,512,078	21,667	4,582	60,978	2,334	54,786	17,215	27,499	685	152,068

14. Stock Issue Plan & Paid-Up Capital

(In million yen)

(Ministry of Finance)

Year & Month	Stock Issue Plan						Paid-Up Capital					
	Over ¥50 million		Under ¥50 million		Total		Over ¥50 million		Under ¥50 million		Total	
	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital
1959: June	33	26,643	395	11,353	428	37,995	27	11,067	356	8,594	383	19,661
July	28	30,317	391	10,253	419	40,570	28	18,081	391	7,044	419	25,125
August	43	16,630	346	8,150	389	24,780	29	14,998	333	10,000	362	24,998
September	41	37,032	390	11,031	431	48,063	22	10,156	344	8,663	366	18,819
October	39	27,168	356	10,168	395	37,336	59	45,736	388	13,653	447	59,389
November	30	27,299	329	10,425	359	37,724	16	15,080	347	8,435	363	23,516
1958: November	11	4,166	256	4,144	267	8,310	14	4,852	246	4,034	260	8,887

15. Tokyo Wholesale Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Metal & Machinery	Textiles	Agricultural Products	Fuels	Building Materials	Chemical Products	Sundries	By Uses		
									Pro-ducer's Goods	Capital Goods	Con-sumer's Goods
1959: Sept.	100.1	100.8	78.0	107.4	103.8	130.3	78.4	90.7	99.5	113.9	100.9
Oct.	101.0	100.9	79.2	108.2	104.2	134.2	78.7	90.1	100.2	115.4	102.1
Nov.	101.8	101.2	80.2	108.5	108.4	133.7	79.0	90.9	100.6	115.5	103.4
Dec.	101.6	100.9	78.8	108.5	108.9	133.3	79.5	91.6	100.3	115.2	103.4
Jan.	101.5	100.6	78.2	108.5	109.7	132.9	79.6	91.5	100.0	115.1	103.5
1958: Jan.	97.8	97.8	71.2	105.7	108.9	127.9	78.3	87.6	96.7	111.3	99.2

Notes: Food Notes in Table 10 do not include Korean food notes. Public Corporation Bonds are the total of National Railways Bond and Telephone & Telegraph Corporation Bonds. ▲ Revised at source.

16. Tokyo Retail Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1959: August	104.5	115.4	82.3	93.3	104.8	121.4	96.7	99.9	31,400.6
September	103.1	112.0	83.3	95.3	104.8	121.4	97.1	100.2	30,979.9
October	104.5	114.1	84.6	95.2	105.1	122.8	97.3	100.8	31,400.6
November	103.2	111.5	84.7	95.2	105.3	124.2	97.2	101.3	31,009.9
December	103.4	111.2	84.7	95.2	105.8	127.6	98.9	101.5	31,070.0
January	104.2	112.6	86.4	95.0	105.8	127.7	97.1	101.7	31,310.4
1958: January	102.2	111.7	81.1	94.0	105.1	121.0	95.3	99.0	30,709.5

17. Consumer Price Indices

(1955=100)

(Bureau of Statistics, Prime Minister's Office)

		Total Average	Food	Staple Food	Nonstaple Food	Housing	Light & Fuel	Clothing	Miscellaneous
All Cities	1959: July	103.8	101.2	101.0	101.3	120.8	104.7	94.8	109.2
	August	105.4	104.3	100.9	106.4	121.2	104.7	94.7	109.3
	September	104.4	102.1	101.0	102.8	122.1	105.4	95.8	108.6
	October	105.9	104.3	101.2	106.1	123.7	106.5	97.7	108.8
	November	105.3	102.7	100.7	103.8	124.4	108.4	98.3	108.9
	December	105.3	102.0	100.4	102.9	125.0	109.5	98.5	109.7
Tokyo	1958: December	103.1	101.1	100.4	101.6	117.3	107.5	96.5	106.2
	1959: July	105.3	102.7	104.6	101.8	126.3	101.3	97.0	109.2
	August	107.1	106.4	104.4	107.3	126.6	101.1	97.6	109.1
	September	106.5	104.8	104.5	104.9	127.7	101.1	99.5	108.8
	October	107.8	106.4	104.5	107.2	128.5	101.7	102.4	109.7
	November	107.9	105.6	104.6	106.1	129.5	103.4	104.5	109.1
	December	108.0	105.1	104.3	105.4	130.3	104.0	105.1	109.9
	1960: January	108.8	105.5	104.3	106.0	130.4	108.3	104.4	111.5
	1959: January	106.1	104.2	104.8	103.9	123.1	103.9	99.3	108.7

18. Labor Population Survey

(In 10,000)

(Labor Ministry)

Year & Month	Total Population	Population 15 years old and over Labor Force						Agriculture & Forestry		Non-Agricultural Industry	
		Total ¹⁾	Total of the following three columns	Agriculture & Forestry	Non-Agricultural Industries	Totally Unemployed	Not in Labor Force	Not at Work	At Work	Not at Work	At Work
1959: July	9,283	6,468	4,489	1,625	2,864	58	1,912	21	1,604	42	2,822
Aug.	9,289	6,478	4,425	1,603	2,822	59	1,985	22	1,581	43	2,779
Sept.	9,297	6,488	4,367	1,610	2,757	45	1,969	19	1,589	33	2,725
Oct.	9,305	6,498	4,548	1,757	2,790	41	1,904	17	1,740	30	2,760
Nov.	9,311	6,506	4,456	1,611	2,843	44	1,999	15	1,596	27	2,817
Dec.	9,318	6,513	4,248	1,378	2,869	46	2,210	..	..	..	..
1958: Dec.	9,223	6,369	4,252	1,354	2,898	53	2,056	18	1,565	25	2,781

19. Labor Disputes & No. of Participants

(1,000 Participants)

(Labor Ministry)

Year & Month	Dispute Total		Accompanied by Disputes							
			Total		Strikes		Work Slowdown		Business Control	
	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants
1959: May	189	(75)	79	30	73	27	17	18	1	60
June	278	(180)	161	186	117	85	62	128	2	100
July	294	(142)	144	183	117	158	34	31	2	107
August	214	(86)	81	165	65	124	23	43	2	77
September	173	(70)	88	72	48	21	46	65	2	77
October	206	(83)	94	199	63	99	41	132	1	30
November	382	(266)	274	325	159	182	147	188	1	30
1958: November	462	(270)	301	820	127	295	204	533	1	249

20. Mining-Manufacturing Indices

(1955=100)

(Statistics Bureau, MITI)

Year & Month	Composite	Public Utilities	Mining-Manufacturing	Mining	Manu-facturing	Iron & Steel	Non-ferrous Metals	Ma-chinery	Ceramics	Chemicals	Oil & Coal	Rubber	Hides & Leathers	Paper & Pulp	Textiles
1959: May	172.8	156.7	174.0	117.8	178.7	173.5	173.6	295.3	159.3	174.9	198.6	188.0	128.8	158.2	131.4
June	178.1	149.9	180.3	119.3	185.4	174.9	173.1	318.1	155.6	174.0	198.4	190.9	127.2	159.1	138.3
July	179.6	161.6	181.0	119.3	186.2	180.0	175.3	313.6	158.1	172.3	190.5	200.4	126.0	166.1	141.1
Aug.	179.2	155.6	181.0	111.1	186.9	177.6	172.7	318.7	160.2	173.0	212.2	192.0	124.9	164.3	136.6
Sept.	186.0	154.7	188.4	120.9	194.0	180.5	176.4	342.1	165.1	177.3	200.7	206.6	131.9	167.7	151.2
Oct.	189.6	163.1	191.7	123.6	197.4	192.9	183.9	348.5	174.3	177.6	230.1	214.1	133.2	174.4	144.6
Nov.	▲192.3	▲161.2	▲194.7	▲115.5	▲201.3	▲195.4	▲178.6	▲356.6	▲179.1	▲175.0	▲233.5	▲210.4	▲123.3	▲173.5	153.3
Dec.	204.0	177.3	206.1	122.7	213.1	198.2	195.5	380.7	187.7	181.2	257.0	220.6	129.9	179.2	156.5
1958: Dec.	156.9	150.9	157.4	125.7	160.1	138.6	145.7	254.3	151.1	151.0	184.9	163.6	131.9	140.7	125.1

Notes: * except perishable vegetables. Figures in parentheses in Table 19 are not in 1,000. Figures in parentheses in Table 20 are the numbers of companies surveyed. ▲ Revised. ¹⁾ 15 years and over.

21. Production by Major Items

Items	In	1959			Items	In	1959		
		October	November	December			October	November	December
Energies									
Electricity	Mil. KWH	7,323	7,184	7,774	Thrasher	Units	27,124	12,201	11,443
Coal	1,000 Tons	4,160	3,818	4,133	Hulling Machine	"	6,913	4,524	3,511
Cokes	Tons	915,878	916,964	989,760	Rice-Wheat Cleaning Machine	"	9,895	10,573	10,732
Gas (city use)	1,000 CM	295,946	325,967	441,404	Alternating Current Motor	KW	289,238	362,479	365,524
Crude Oil	Kl	42,514	42,201	43,546	Mercury Rectifier	"	19,817	30,915	43,093
Natural Gas	1,000 CM	41,622	46,028	53,163	Transformer	1,000 KVA	1,006	1,470	1,926
Gasoline	Kl	463,677	482,351	519,316	Electric Fan	Units	105,611	106,630	137,318
Petroleum	"	1,105,962	1,113,213	1,219,781	Electric Washer	"	98,437	102,367	99,779
Lubricants	"	46,722	52,178	59,009	Electric Refrigerator	"	57,067	56,129	63,950
Kerosene	"	150,822	148,538	167,002	Telephone	"	94,183	88,672	96,833
Light Oil	"	160,319	172,603	185,726	Automatic Switchboard	Circuits	57,517	65,086	71,947
Minerals					Radio Set	1,000 Sets	1,142	1,058	1,040
Gold Ores	KG	676	639	665	Television Set	Sets	283,736	284,234	312,088
Silver Ores	"	17,237	16,050	16,787	Electric Tube for Receiving	1,000 Pcs.	12,098	11,788	13,220
Copper Ores	Tons	7,354	7,066	7,333	Industrial Meter	Units	10,889	9,950	10,436
Lead Ores	"	2,914	2,801	2,924	Electric Bulb	1,000 Pcs.	13,986	12,398	13,197
Zinc Ores	"	12,123	10,729	11,183	Special Electric Bulb	"	8,798	9,117	10,820
Sulphuric Iron	1,000 Tons	295	282	288	Passenger Car	Units	7,218	7,229	8,190
Iron Ores	Tons	119,367	106,573	101,169	Bus	"	649	670	530
Sulphur	"	20,382	20,631	20,228	Small Four-wheeler Chassis	"	12,881	12,224	13,918
Lime Stone	1,000 Tons	2,941	2,347	2,904	Truck Chassis	"	3,500	4,276	4,852
Non-ferrous Metals					Three-wheel Truck	"	16,201	16,844	18,787
Electric Gold	KG	709	861	799	Motorcycle	"	13,456	12,940	13,500
Electric Silver	"	24,553	24,342	26,157	Bicycle	"	231,877	227,053	269,900
Electric Copper	Tons	17,180	15,591	18,596	Watch	1,000 Pcs.	10,286	925	1,094
Lead	"	4,230	4,168	6,228	Camera	Pcs.	24,318	170,520	189,000
Zinc	"	13,455	12,368	13,836	Binoculars	"	7,427	165,068	106,000
Electric Tin	KG	75,713	38,365	30,860	Textiles				
Quick Silver	"	66,922	57,940	63,147	Rayon Yarn	Tons	10,286	10,261	10,521
Aluminium	Tons	8,581	8,548	9,442	Rayon Staple	"	24,318	24,701	24,873
Rolled Aluminium	"	8,746	9,580	9,669	Synthetic Textile	"	7,427	7,928	8,599
Rolled Copper	"	18,713	19,506	20,059	Vinylon	"	1,506	1,575	1,682
Electric Cables	"	17,492	16,418	16,646	Nylon	"	2,414	2,862	2,988
Iron & Steel					Cotton Yarn	"	41,314	44,857	44,572
Pig Iron	Tons	887,414	900,958	902,620	Woollen Yarn	"	10,860	11,028	10,970
Ferro-alloys	"	36,443	29,374	28,486	Best Fibre Yarn	"	4,950	5,029	5,321
Steel	"	1,575,000	1,588,547	1,599,381	Rayon Staple Yarn	"	17,782	17,228	17,881
Open Hearth Steel	"	1,151,192	1,147,425	1,160,216	Synthetic Fibre Yarn	"	5,599	6,447	6,800
Converter Steel	"	141,149	136,654	122,520	Cotton Textile	1,000 sq. m.	222,042	244,638	252,985
Electric Furnace Steel	"	282,660	304,468	316,745	Woollen Textile	"	21,621	25,689	26,208
Forged Steel	"	15,800	16,368	16,944	Silk Textile	"	21,201	21,553	22,192
Cast Steel	"	25,502	27,863	28,146	Best Fibre Textile	"	7,288	7,674	8,986
Hot Rolled Steel Materials	"	1,195,339	1,184,338	1,181,150	Rayon Textile	"	63,536	67,384	68,448
Steel Shape (medium)	"	35,092	33,186	25,151	Rayon Staple Textile	"	75,202	81,586	81,170
Steel Bars (small)	"	16,535	12,621	12,784	Synthetic Fibre Textile	"	22,001	24,116	26,499
Wire Rod	"	85,000	79,415	87,334	Paper & Pulp				
Steel Sheet (thick)	"	229,434	218,985	199,902	Pulp	Tons	271,186	272,931	280,637
Steel Sheet (thin)	"	63,329	58,398	63,226	Western-Style Paper	"	193,815	189,693	196,446
Steel Band (wire)	"	235,599	250,546	239,362	Hard Board	"	122,072	125,225	130,738
Rolled Special Steel Materials	"	74,291	81,722	86,312	Chemicals				
Steel Tube	"	86,192	86,641	80,697	Ammonium Sulphate	Tons	192,879	195,225	193,385
Cold Rolled Steel Sheet	"	117,142	121,343	127,216	Superphosphate of Lime	"	156,160	142,584	163,323
Galvanized Steel Sheet	"	78,370	70,817	75,126	Carbide	"	84,847	63,085	59,890
White Sheet	"	36,455	37,344	33,745	Chemical Fertilizer	"	161,001	150,319	166,794
Machinery & Machine Tools					Calcium Cyanamide	"	29,743	27,766	29,818
Steam Boiler	T/H	1,008	484	1,530	Urea	"	44,632	49,106	56,248
Steam Turbine	KW	74,800	179,000	4,000	Sulphuric Acid	"	351,319	351,013	363,566
Water Turbine	"	23,320	131,100	13,500	Caustic Soda	"	68,189	69,639	69,639
Gasoline Engine	"	61,953	57,305	59,943	Soda Ash	"	40,555	39,430	40,858
Oil Burners	"	36,920	32,188	31,588	Soap	"	31,662	30,787	33,100
Diesel Engines	"	73,822	81,036	75,513	Paint	"	25,598	25,095	26,300
Bearings	Tons	1,921	1,980	2,067	Film	1,000 sq. m.	968	944	927
Transmitter	"	954	917	930	Cement & Ceramics				
Machine Tools	"	2,751	2,846	3,195	Cement	1,000 Tons	1,660	1,650	1,710
Rolling Machine	"	9,679	8,027	8,144	Sheet Glass	1,000 Boxes	974	995	1,089
Crane	"	1,916	2,046	2,096	Porcelain & Ceramics	Tons	45,764	55,682	58,818
Winches	"	1,173	1,190	1,120	Glass Products	"	37,104	38,818	37,495
Conveyor	"	2,721	2,142	2,580	Fire Brick	"	103,119	112,757	121,860
Pump	"	2,980	2,641	2,570	Miscellaneous				
Refrigerator	"	851	742	816	Automobile Tire	Tons	4,874	4,915	5,218
Spinning Machine	Units	938	963	1,112	Leather	"	6,591	6,588	7,510
Weaving Machine	"	3,133	3,056	3,119	Match	Match tons	39,710	41,912	40,128
Sewing Machine	1,000 Units	190	230	251	Pencil	1,000 Gross	662	659	700
Cultivator	Units	6,744	6,075	5,855	Metal Toy	1,000 Dz.	1,535	1,481	1,477
Hand Tractor	"	9,596	9,351	9,286					

Note ▲ Provisional figures. ▲ Revised.

22. Machinery Orders (In million yen)

(Economic Planning Board)

Items	1959							1958
	May	June	July	Aug.	Sept.	Oct.	Nov.	Nov.
By Products								
Prime Movers	6,234	8,584	4,419	8,187	9,727	4,607	4,219	5,907
Heavy Electric Machinery	10,674	11,930	12,131	12,379	17,330	15,127	13,561	6,516
Communication Apparatus	2,558	5,239	4,088	4,283	5,622	4,623	5,833	2,933
Industrial Machinery	20,656	20,853	25,576	23,276	27,067	24,658	31,298	12,954
Machine Tools	1,577	2,151	2,158	2,329	2,951	3,353	3,536	1,288
Rolling Stocks	2,551	2,019	11,825	2,495	1,578	2,450	2,687	716
Ships	4,962	3,200	11,505	4,623	16,049	16,549	6,119	2,669
Total of the Above	49,212	53,976	71,702	57,552	80,324	71,367	67,253	32,983
Iron & Steel Frames	1,928	1,402	1,905	1,624	2,293	1,544	3,441	1,413
Bearings	2,143	2,192	2,369	2,580	2,247	2,303	2,370	1,446
Electric Wires & Cables	7,498	7,887	7,500	7,500	9,593	11,929	11,031	6,131
Total	11,569	11,481	11,774	11,704	14,133	15,776	16,842	8,990
By Customers								
Foreign Sources	6,422	2,121	7,949	6,188	11,355	10,110	4,959	3,232
Government	3,715	7,112	15,635	7,716	8,115	7,388	9,982	4,555
Private	33,070	38,576	41,937	36,486	52,270	46,106	44,926	21,223
Manufacturing	19,397	19,136	24,644	23,572	33,443	22,772	29,332	11,234
Textiles	2,206	2,005	4,574	3,636	3,577	2,435	3,478	1,381
Chemicals	5,936	6,558	6,841	7,118	9,229	6,577	5,857	3,336
Iron & Steel	6,180	4,428	7,815	6,145	11,557	6,117	12,065	2,365
Machinery	2,002	3,027	2,871	4,112	3,812	4,328	4,594	1,166
Shipbuilding	218	270	170	255	207	255	190	392
Others	2,855	2,848	2,373	2,306	2,016	3,115	3,148	2,594
Non-Manufacturing	13,673	19,440	17,293	12,914	21,827	23,334	15,594	9,989
Transportation	2,646	3,113	4,548	2,609	9,545	11,523	4,021	1,307
Electric Power	3,546	8,553	3,497	3,569	5,133	4,440	3,671	3,695
Coal Mining	665	1,150	691	740	654	545	596	521
Agriculture, Forestry, Fishery	1,731	1,720	1,599	2,001	2,329	2,376	2,171	1,751
Others	5,085	4,904	4,958	3,995	4,166	4,450	5,135	2,715
Sales Agents	2,305	2,511	2,535	2,487	2,849	3,522	3,019	1,875
Total Orders	44,901	50,321	68,056	52,877	74,589	67,126	62,886	30,885
Orders Outstanding	709,487	702,898	721,730	722,563	733,492	746,393	744,992	688,757
Sales Total	54,920	60,010	50,865	53,446	65,990	64,258	68,144	48,947

23. Total Power Generation & Consumption (10⁶ KWH)

(MITI)

Items	1957 Total	1959						1958
		Apr.	May	June	July	Aug.	Sept.	Sept.
Total Power Generation	83,103	7,800	8,055	7,743	8,319	7,992	7,979	6,919
Hydraulic Power	58,125	6,274	6,355	5,168	6,075	5,562	5,080	5,363
Thermal Power	24,978	1,526	1,700	2,575	2,244	2,430	2,990	1,556
Generation by Electric Industries	72,517	6,799	7,018	6,727	7,281	7,023	6,966	6,019
Hydraulic Power	52,749	5,719	5,787	4,659	5,526	5,084	4,585	4,884
Thermal Power	19,768	1,080	1,231	2,068	1,755	1,939	2,382	1,135
Generation by Power Companies	65,433	6,004	6,151	6,051	6,457	6,224	6,273	5,282
Hydraulic Power	46,220	4,945	4,940	4,051	4,767	4,353	4,368	4,174
Thermal Power	19,215	1,059	1,211	2,000	1,690	1,871	2,304	1,108
Power from other Sources	7,130	803	885	685	825	791	695	761
National Railways & Household Use	10,330	1,001	1,037	1,015	1,038	969	1,013	900
Hydraulic Power	5,282	555	568	508	549	478	495	480
Thermal Power	5,048	446	469	507	489	491	517	420

24. Coal Supply & Demand (1,000 metric tons)

(MITI)

Year & Month	Production	Stock Deliveries			Deliveries				Month-end Stocks			
		Coal Dealers	Large User Factories	Adjustment	Total	Deliveries	of which Exports	Others	Home Consumption	Total	Coal Dealers	Large User Factories
1959: July	4,006	126	167	54	3,826	3,872	5	46	3,654	12,218	5,820	6,398
August	3,675	164	14	2	3,841	3,931	0	90	3,827	12,068	5,656	6,412
September	4,080	107	117	2	4,185	4,192	1	111	4,072	11,844	5,549	6,295
October	4,160	317	124	29	4,448	4,465	5	17	4,320	11,651	5,232	6,419
November	3,818	777	99	2	4,593	4,629	0	36	4,692	10,775	4,455	6,320
December	4,143	764	414	8	4,899	4,938	3	39	5,310	9,597	3,691	5,906
1958: December	4,425	120	127	2	4,547	4,558	0	11	4,674	11,061	4,555	6,506

25. Supply & Demand of Pig-iron and Steel Materials (In tons)

(MITI)

Year & Month	Pig iron			Steel Materials					
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1959: May	795,051	137,127	340,625	1,044,196	745,450	324,224	66,941	54,085	29,487
June	783,700	134,991	354,976	1,029,186	771,518	311,468	69,858	53,455	30,687
July	803,079	140,982	368,141	1,033,272	757,164	316,918	69,795	53,776	31,526
August	792,972	140,123	338,412	1,069,805	765,281	340,810	73,143	56,518	32,731
September	804,500	131,150	330,230	1,105,769	792,310	369,954	73,227	54,850	35,310
October	887,414	123,085	345,114	1,195,339	863,392	399,282	74,291	59,318	34,072
1958: October	626,064	114,746	436,588	795,026	606,083	388,900	47,911	37,830	37,743

Notes: 80 machinery companies together with 18 iron frame, bearing & electric wire companies are surveyed for Table 22. Table 24 does not include import coal. Others in "Demand" column is the balance of sales volume by un-authorized sales agents plus dust coal output. "At Collieries" column includes the coal stocks on the seaboard mines. ▲ Revised at source.
Table In 22, the number of companies surveyed was increased from 80 to 127 retroactively to 1957.

26. Supply & Demand of Textile Goods (In tons for years; 1,000 sq. m. for textile) (MITI)

Year & Month	Cotton Yarn			Rayon Yarn			Staple Fiber Yarn			Cotton Textiles		
	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory
1959: June . . .	39,651	24,413	20,239	9,643	6,676	12,422	17,034	14,496	10,036	232,968	238,059	439,673
July . . .	39,331	25,045	20,910	9,895	7,278	12,194	18,396	15,219	9,158	228,533	231,725	428,164
Aug. . .	32,950	21,968	20,021	9,939	6,982	12,710	17,246	14,459	9,145	215,081	218,503	424,604
Sept. . .	43,748	27,567	22,531	10,139	7,107	12,462	19,271	15,842	9,554	244,172	243,625	428,665
Oct. . .	40,531	25,911	22,875	10,286	6,474	13,114	17,992	15,004	9,765	222,042	230,471	402,370
Nov. . .	44,173	23,362	23,480	10,261	6,664	14,079	17,873	14,523	10,047	244,638	245,166	404,691
1958: Nov. . .	35,703	23,232	21,945	7,597	5,069	10,236	15,313	13,219	13,777	213,524	216,149	476,244

27. Supply & Demand of Paper and Pulp (MITI)

Year & Month	Pulp (long ton)				Paper, Western Style (in ton)				Cardboard & Japanese Style Paper (in ton)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1959: April . . .	233,963	137,915	98,540	64,568	174,791	167,080	5,792	52,851	303,233	286,376	12,873	76,678
May . . .	245,532	143,204	103,485	63,411	180,008	175,781	5,908	51,170	312,116	300,337	13,328	75,129
June . . .	245,927	146,607	100,500	62,231	181,527	172,518	5,839	54,340	316,483	298,375	13,594	79,643
July . . .	257,001	148,779	105,482	64,971	188,681	174,079	5,960	62,982	329,087	303,711	13,900	91,119
Aug. . .	253,873	145,221	108,332	65,291	184,409	172,904	6,075	68,412	324,024	302,851	13,660	98,625
Sept. . .	259,126	147,084	106,088	71,245	184,365	176,667	6,443	72,667	328,032	310,490	13,995	102,172
Oct. . .	271,186	158,874	111,593	71,964	193,815	180,035	6,729	79,718	345,776	322,540	15,920	109,488
Nov. . .	272,931	158,957	116,571	69,367	189,693	180,574	6,813	82,024	345,077	325,288	15,159	114,123
1958: Nov. . .	203,544	110,440	91,801	71,448	149,065	155,356	6,568	58,057	257,644	262,349	14,086	91,397

28. Supply & Demand of Soda and Ammonium Sulphate (In metric tons) (MITI)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1959: April . . .	234,548	217,374	214,487	37,607	35,634	10,356	58,951	48,557	20,674
May . . .	247,557	240,926	211,015	37,504	37,443	9,523	61,636	49,655	21,769
June . . .	236,599	179,341	260,711	36,203	36,973	7,787	60,430	52,758	18,649
July . . .	235,767	176,484	312,187	36,467	33,572	9,153	62,817	50,154	20,323
Aug. . .	219,389	182,220	340,301	38,478	37,422	8,626	63,893	50,442	22,247
Sept. . .	200,869	194,074	340,199	38,158	35,589	9,629	62,965	53,576	20,973
Oct. . .	193,135	200,960	343,574	40,555	38,707	9,907	68,239	56,520	22,167
Nov. . .	195,225	163,285	366,452	39,430	39,094	8,750	69,639	57,319	23,445
Dec. . .	195,632	181,016	370,263	40,868	40,138	7,885	69,699	60,070	22,203
1958: Dec. . .	230,896	216,456	367,369	35,203	33,765	10,779	56,717	44,706	21,274

29. Supply & Demand of Cement & Sheet Glass (MITI)

Year & Month	Cement (in 1,000 tons)				Sheet Glass (in 1,000 boxes)					
	Production	Consumption	Sales	Inventories at Month-end	Production	Consumption	Exports	Domestic	Total	Inventories
1959: May . . .	1,498.6	7.7	1,433.0	447.6	758.7	65.5	156.6	618.7	775.4	679.1
June . . .	1,401.3	8.4	1,408.5	431.7	802.0	81.1	157.6	605.4	763.0	649.7
July . . .	1,393.2	6.5	1,447.4	370.6	916.1	93.5	159.6	589.6	749.2	728.1
Aug. . .	1,419.1	7.4	1,432.9	349.1	938.4	94.0	164.5	606.3	770.8	800.1
Sept. . .	1,511.8	9.1	1,539.8	312.4	860.5	100.6	143.2	663.5	806.6	764.8
Oct. . .	1,658.9	9.2	1,641.9	319.6	973.8	113.3	129.4	815.9	945.3	697.5
Nov. . .	1,650.2	7.3	1,656.9	305.6	994.9	107.4	150.7	837.7	988.4	609.8
1958: Nov. . .	1,334.6	8.2	1,359.9	326.2	836.9	73.5	109.8	669.3	779.2	740.3

30. Supply & Demand of Rubber & Vinyl Chloride Products (In tons) (MITI)

Year & Month	Rubber Goods				Vinyl Chloride Products				
	Production (A)	Sales (B)	Inventories at Month-end (C)	Delivery Rates (B/A)	Production (A)	Sales (B)	Inventories Rates (C)	Delivery Rates (B/A)	Inventories Rates (C/A)
1959: May . . .	14,363	14,381	5,853	100	41	10,953	10,683	5,442	97
June . . .	14,701	14,918	6,145	101	42	11,227	10,619	5,962	95
July . . .	15,335	15,133	6,447	99	42	11,234	10,775	6,405	96
Aug. . .	14,748	14,812	6,420	101	44	12,007	11,412	7,026	95
Sept. . .	15,788	5,811	6,340	100	40	12,978	12,907	7,089	99
Oct. . .	16,479	16,288	6,511	99	40	13,640	13,515	7,160	99
Nov. . .	15,963	16,018	6,429	100	40	13,556	13,749	6,892	101
1958: Nov. . .	12,109	12,116	6,174	100	51	8,736	8,806	5,954	101

31. Department Store Sales (In million yen) (MITI)

By Month	No. of Stores	Total	Clothing	Personal Effects	Sundry	Household Utensils	Provisions	Restaurant	Services	Outside Store Sales	Others	Gift Certificates
1959: June . . .	211	27,081	12,801	2,291	2,849	3,803	3,827	940	196	11	363	284
July . . .	211	38,667	17,167	2,895	3,841	4,793	8,114	1,162	198	19	478	1,037
Aug. . .	211	27,026	9,990	2,043	3,326	3,542	6,211	1,282	209	14	409	601
Sept. . .	211	23,231	10,385	1,760	2,791	3,230	3,619	905	202	10	330	206
Oct. . .	213	32,579	16,532	2,508	3,146	4,333	4,520	990	272	17	441	282
Nov. . .	219	33,786	17,990	2,359	3,060	4,280	4,345	1,039	269	22	414	293
Dec. . .	222	76,816	38,001	4,987	6,965	8,328	16,093	1,285	326	33	797	2,063
1958: Dec. . .	195	64,235	32,013	4,182	5,924	6,695	13,378	1,097	308	21	618	1,746

Notes: ▲ Revised at source.

Rates of conversion: 1,000 lb.=0.45359 tons for yarns; 1,000 sq. yds.=0.83613 sq. m. for textiles; 1 lb.=0.45359 kg. for papers.

32. JPA Procurement Contracts

(In \$1,000)

(Ministry of Finance)

Year & Month	Exports				Imports			
	Dollars	Pounds Sterling	Open Account	Total	Dollars	Pounds Sterling	Open Account	Total
1959: March	149,414	110,176	7,096	266,687	99,746	112,643	9,209	221,599
April	131,936	85,800	5,025	222,762	87,087	102,484	14,981	204,553
May	144,834	93,623	11,456	249,914	108,562	101,634	5,898	216,095
June	150,499	90,696	5,585	246,782	91,359	109,160	4,796	205,316
July	154,970	106,133	5,017	266,121	116,254	99,593	4,221	220,069
August	142,487	105,928	11,826	260,242	97,778	91,436	1,209	190,424
September	151,275	109,045	8,589	268,910	100,814	89,507	2,245	192,567
October	158,621	100,455	4,452	263,530	116,312	98,395	7,792	222,500
November	147,726	103,997	4,569	256,293	117,574	103,803	7,595	228,882
December	177,043	108,600	8,611	294,255	159,748	124,847	9,456	294,053
1960: January	150,805	97,423	6,473	254,702	110,077	95,613	7,625	213,315

33. Exports and Imports by Value

(Ministry of Finance)

Year & Month	Value (In \$1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1958: Total	2,876,560	3,033,125	↔ 156,564	1,035,562	1,091,925	↔ 56,363
1959: Total	3,456,518	3,598,337	↔ 141,819	1,244,346	1,295,401	↔ 51,055
1959: July	299,940	313,773	↔ 13,833	107,978	112,958	↔ 4,980
August	301,513	289,910	↔ 11,603	108,545	104,367	↔ 4,177
September	282,244	298,777	↔ 16,533	101,608	107,560	↔ 5,952
October	345,483	297,600	↔ 47,883	124,374	107,136	↔ 17,238
November	292,493	289,177	↔ 3,316	105,298	104,104	↔ 1,194
December	▲141,953	▲134,173	↔ 7,780	▲394,313	▲372,703	↔ 21,610
1960: January	217,611	330,422	↔ 112,811	78,340	118,952	↔ 40,612
1959: January	174,595	240,502	↔ 65,907	62,854	86,581	↔ 23,727

34. Value of Export and Import by Economic Classification

(In \$1,000)

(Ministry of Finance)

	Year & Month	Total		Foodstuffs		Crude Materials		Fabricated Basic Material		Finished		Others	
		Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
E x p o r t	1959: August	301,513	100.0	25,884	8.6	11,935	4.0	46,247	15.3	216,252	71.7	1,195	0.4
	September	282,244	100.0	26,608	9.4	10,708	3.8	46,759	16.6	197,237	69.9	932	0.3
	October	345,483	100.0	31,415	9.1	13,373	3.9	53,077	15.4	246,071	71.2	1,547	0.4
	November	292,493	100.0	21,484	7.3	12,063	4.1	52,357	17.9	205,200	70.2	1,389	0.5
I m p o r t	1958: November	237,225	100.0	26,222	11.1	7,409	3.1	44,398	18.7	158,434	66.8	762	0.3
	1959: August	289,910	100.0	44,554	15.4	170,084	58.6	29,568	10.2	45,427	15.7	277	0.1
	September	298,777	100.0	43,247	14.5	174,491	58.4	38,751	13.0	41,669	13.9	619	0.2
	October	297,600	100.0	29,664	10.0	187,673	63.1	33,301	11.2	46,526	15.6	436	0.1
I m p o r t	November	289,177	100.0	35,539	12.3	180,659	62.5	34,964	12.1	37,627	13.0	388	0.1
	1958: November	222,645	100.0	41,286	18.6	122,451	55.0	21,211	9.5	37,247	16.7	450	0.2

35. Exports and Imports by Continents*

(\$1,000; Customs Bureau, Finance Ministry)

	Year & Month	'57, Total	'58, Total	'59, Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	'58 Nov.
E x p o r t s	Total	2,858,018	2,876,560	261,054	277,660	272,718	299,940	301,513	282,244	345,483	292,493	237,225
	Asia	1,146,414	1,074,322	100,912	98,838	90,488	93,119	90,894	94,014	112,485	97,583	83,234
	S.E. Asia	754,107	649,520	61,792	58,335	53,758	60,877	60,477	61,557	77,283	68,830	53,898
	Europe	326,549	333,301	23,512	26,267	23,020	34,959	37,456	33,152	46,048	31,138	35,010
	N. America	725,898	848,456	90,618	101,882	114,092	100,294	128,627	105,433	115,779	106,843	73,827
	S. America	93,824	114,982	7,619	10,563	9,203	118,266	13,237	10,840	11,782	21,469	10,464
	Africa	498,952	415,511	31,406	35,373	26,118	36,859	20,448	27,099	47,535	24,593	26,265
	Oceania	66,248	89,771	6,912	9,726	9,775	10,438	11,210	11,635	11,767	10,799	8,322
I m p o r t s	Total	4,283,586	3,033,125	299,041	322,074	325,139	313,773	289,910	298,777	297,600	289,717	222,645
	Asia	1,246,062	982,448	98,285	105,588	109,019	100,952	93,100	88,530	102,408	100,055	78,373
	S.E. Asia	620,306	427,073	46,582	52,455	56,019	51,402	50,600	47,971	50,600	48,654	36,716
	Europe	391,889	268,654	29,917	37,580	34,747	32,342	28,087	30,480	27,840	27,511	20,361
	N. America	1,978,541	1,356,682	126,968	128,944	137,200	133,454	119,019	125,821	112,204	106,908	90,060
	S. America	122,086	80,687	8,656	5,810	5,608	7,534	10,534	12,405	14,678	10,360	10,214
	Africa	103,788	83,737	9,155	11,638	11,100	13,653	12,106	11,122	10,916	12,487	5,022
	Oceania	441,118	206,801	26,032	32,495	27,460	25,796	27,058	30,410	29,542	31,838	18,599

36. Foreign Exchange Receipts and Payments by Month

(In 1,000 dollars)

(Bank of Japan)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1958 Total	2,727,649	782,837	3,510,486	2,468,377	530,700	2,999,077	511,409
1959: Total	3,164,296	881,494	4,045,790	2,855,046	709,698	3,564,744	481,046
June	278,372	79,052	357,425	234,588	64,229	298,818	58,608
July	275,163	78,144	353,307	246,437	52,591	299,028	54,279
August	270,520	72,254	342,775	245,768	115,252	361,020	18,245
September	285,037	74,763	359,800	250,836	57,878	308,714	51,085
October	▲298,737	72,995	371,732	258,491	47,978	306,469	65,262
November	279,772	65,653	345,425	267,548	50,320	317,868	27,556
December	310,189	86,510	396,700	283,502	86,991	370,493	26,206
1958: December	263,921	84,289	348,210	221,193	62,035	283,228	64,981

Notes: * includes optional cargoes in exports and imports from such special sources as pelagic fisheries, Japanese territorial waters, foreign territorial waters, and high seas in Imports.

37. Exports and Imports by Country

(In 1,000 dollars)

(Ministry of Finance)

Settlement Area	Countries	Exports					Imports				
		July 1959	Aug. 1959	Sept. 1959	Oct. 1959	Nov. 1959	July 1959	Aug. 1959	Sept. 1959	Oct. 1959	Nov. 1959
	Total Exports or Imports . .	299,940	301,513	282,244	345,483	292,493	313,773	289,910	298,777	297,600	289,177
0	Korea	3,931	4,771	2,794	6,123	3,376	1,650	927	1,699	512	327
£	China	397	256	177	232	240	1,702	1,106	1,523	1,704	1,568
\$	Rukyu Islands	6,085	6,275	5,414	2,439	7,503	1,249	1,189	1,197	1,517	1,006
£	Hong Kong	10,744	9,987	10,877	14,213	12,840	2,526	2,825	2,685	2,639	2,361
0	Formosa	7,502	6,866	9,346	7,631	6,049	2,987	1,207	1,027	1,485	5,497
\$	South Viet Nam	6,645	5,596	5,448	3,926	3,940	155	171	119	29	147
£	Thailand	6,913	7,666	7,299	10,284	9,613	3,504	2,375	1,822	2,187	3,503
£	Malaya Union	1,456	1,623	1,463	1,862	2,014	15,717	16,300	15,315	15,245	14,716
£	Singapore	6,000	5,777	5,528	6,171	6,720	528	634	910	1,063	782
£	Philippines	7,972	8,467	7,243	15,372	9,367	11,273	11,803	11,182	11,113	11,576
£	British Borneo	136	167	205	156	128	5,562	4,948	4,807	5,781	4,905
£	Indonesia	8,719	6,453	7,070	3,771	4,494	5,225	4,211	3,993	6,054	4,504
£	Burma	3,877	3,871	5,699	6,414	5,904	577	254	183	917	629
£	India	3,154	5,218	6,311	9,813	6,000	8,083	8,038	8,552	8,007	7,557
£	Pakistan	2,118	1,417	1,574	2,649	3,476	3,109	2,746	1,854	2,177	1,530
£	Ceylon	2,173	2,257	2,231	2,052	3,193	543	1,080	1,099	682	630
\$	Iran	3,671	3,879	3,188	4,931	2,611	3,042	2,942	1,531	1,613	907
£	Iraq	2,767	1,785	976	1,137	766	2,795	3,164	5,665	6,324	6,837
\$	Saudi Arabia	866	932	828	826	766	12,180	10,811	7,413	11,166	10,604
0	Kwait	1,989	2,196	1,606	1,275	1,376	11,290	8,822	10,140	14,428	13,822
£	Sweden	1,674	1,905	1,632	2,030	1,609	789	673	608	613	696
£	Denmark	1,081	939	789	913	638	583	184	417	458	244
£	United Kingdom	6,486	10,026	11,458	16,053	6,891	7,866	7,940	8,588	5,752	7,698
£	Netherlands	3,016	3,506	2,601	2,120	2,865	2,551	2,239	2,515	3,099	2,035
\$	Belgium	1,649	2,001	1,733	1,729	1,834	1,361	1,959	1,573	746	1,245
£	France	962	1,459	1,263	1,370	1,069	3,308	2,332	1,729	1,744	2,355
£	West Germany	3,622	3,911	3,696	5,208	5,275	6,833	8,334	8,131	8,921	6,874
£	Switzerland	2,059	2,341	2,851	3,703	2,506	2,612	1,487	1,693	2,046	1,741
£	Italy	1,221	1,655	1,479	2,025	1,432	1,264	423	2,302	529	1,008
\$	U.S.S.R. (in Asia zone) . .	1,169	773	4,841	1,628	2,878	4,695	5,211	3,503	4,145	4,270
\$	Canada	10,782	11,339	9,561	9,530	9,880	14,045	14,920	13,480	9,774	11,979
\$	U.S.A.	88,918	101,208	89,018	99,419	88,799	97,463	88,859	93,447	82,334	78,396
\$	Mexico	1,297	1,294	1,379	1,366	1,990	6,348	5,959	12,016	14,604	1,255
\$	Panama	673	9,512	850	1,329	1,092	373	1,080	624	1,040	17
\$	Cuba	775	916	614	840	797	7,352	2,723	3,705	2,882	2,869
\$	Venezuela	10,531	3,944	3,660	3,417	9,948	173	118	131	54	70
\$	Peru	857	835	779	619	854	2,239	2,536	1,879	1,096	1,735
\$	Chile	850	843	744	677	1,501	881	844	1,693	2,052	680
0	Brazil	3,034	2,947	2,110	2,291	3,046	1,889	5,003	6,438	7,535	3,329
£	Argentina	830	2,975	1,864	2,814	3,590	1,493	1,623	2,383	2,943	4,047
0	Egypt	365	502	388	865	1,806	2,175	1,867	1,374	853	1,641
£	British West Africa	4,357	4,415	6,017	6,714	5,354	909	692	1,098	480	773
\$	Liberia	20,636	655	9,383	28,483	6,713	198	2	221	238	7
\$	Ghana	2,280	1,865	2,430	2,334	1,904	185	151	204	221	519
£	British South Africa	2,297	2,514	2,672	3,017	3,327	2,748	2,535	2,004	1,707	1,650
£	Union of South Africa . . .	4,449	7,367	3,582	3,709	3,343	2,964	2,822	2,144	3,475	4,106
£	Australia	6,894	7,658	7,905	7,815	6,284	22,527	23,122	26,180	24,116	27,492
£	New Zealand	1,065	1,159	729	1,521	1,800	1,448	2,223	1,111	2,360	2,118

Note: 0 denotes open account area; \$, dollar area; £, sterling area. £^A stands for Specified Area A and B.

*Southeast Asia Total includes Hong Kong, South Vietnam, Cambodia, Laos, Thailand, Malaya, Singapore, the Philipdines, Indonesia. Burma India, Pakistan, and Ceylon. ^A Revised at source.

Figures for December are not yet in.

38. Exports by Major Articles

(In million yen)

(Ministry of Finance)

Articles	Unit	1959						1959		1958	
		September		October		November		Jan.-Nov.		Jan.-Nov.	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Exports	—	—	101,608	—	124,374	—	105,298	—	1,103,320	—	926,353
Food	—	—	9,693	—	11,302	—	8,017	—	81,556	—	72,296
Fish & Shellfish	m.t.	—	80	34,384	9,127	22,137	4,919	274,098	56,404	237,749	53,090
Fresh Fish	"	12,923	1,227	11,748	1,315	8,069	978	129,047	13,178	103,974	12,886
Tuna	"	11,327	959	9,972	1,048	6,278	697	109,698	10,558	82,714	8,565
Canned, Bottled Fish	"	17,964	6,121	20,984	7,436	12,922	3,614	128,305	38,851	119,771	37,313
Salmon	"	8,463	3,494	11,200	5,137	5,048	2,103	51,603	19,305	44,693	19,417
Tuna	"	1,947	757	2,246	790	1,097	325	15,421	5,163	17,783	5,287
Fruit & Vegetables	"	14,702	974	8,997	763	24,529	1,592	156,485	12,857	120,697	10,255
Canned, Bottled Fruits	"	2,755	353	2,185	289	865	110	53,654	6,950	46,121	5,753
Tea	"	599	113	595	112	679	115	7,267	1,489	7,095	1,555
Beverage & Tobacco	—	—	152	—	462	—	164	—	2,132	—	1,666
Raw Materials, except Fuels	—	—	3,727	—	4,545	—	3,959	—	34,893	—	23,800
Lumber	cu.m.	33,239	758	39,381	899	32,618	750	414,308	8,981	430,048	8,375
Textile Fibre & Waste	m.t.	3,875	2,519	4,778	3,208	4,156	2,775	43,470	21,091	36,006	11,448
Raw Silk	"	650	1,965	797	2,448	679	2,161	4,857	14,583	2,370	6,889
Mineral Fuels	—	—	294	—	359	—	314	—	3,582	—	4,075
Animal & Vegetable Oils	—	—	293	—	354	—	729	—	10,304	—	10,135
Animal Oil	m.t.	202	97	804	149	6,199	566	97,439	7,930	99,774	8,418
Whale Oil	"	—	—	430	31	5,788	377	93,792	6,146	108,584	6,782
Vegetable Oil	"	1,986	193	1,972	203	1,672	161	24,764	2,312	17,476	1,696
Chemicals, Drugs	—	—	4,666	—	5,295	—	4,016	—	54,530	—	44,738
Pharmaceuticals	—	—	551	—	502	—	457	—	4,717	—	4,271
Chemical Fertilizers	m.t.	109,824	2,079	128,935	2,898	75,862	1,616	1,468,905	27,138	1,107,103	21,954
Manufactured Products by Materials	—	—	43,003	—	48,005	—	47,556	—	472,804	—	433,366
Rubber Goods	—	—	789	—	940	—	769	—	8,895	—	7,554
Wood & Cork Products	—	—	2,626	—	3,071	—	2,672	—	32,083	—	24,423
Plywood	1,000 s.m.	7,515	1,988	8,072	2,352	7,230	2,068	95,830	24,455	79,198	18,397
Paper & Related Products	m.t.	11,736	1,149	9,582	1,064	11,297	1,231	111,008	11,074	105,211	10,123
Textile Yarns & Fabrics	—	—	22,942	—	24,040	—	24,030	—	238,594	—	227,030
Woollen Yarn	m.t.	287	382	286	386	265	352	3,278	4,375	3,205	4,422
Cotton Yarn	"	964	577	907	567	686	388	9,874	5,778	10,596	6,992
Rayon Yarn	"	1,233	444	1,299	475	1,526	540	11,279	4,041	8,960	3,231
Spun Rayon Yarn	"	2,164	639	1,529	486	1,525	497	14,703	4,623	16,808	5,063
Cotton Fabrics	1,000 s.m.	88,441	8,851	89,041	9,139	88,741	9,073	930,109	91,828	929,797	89,057
Silk Fabrics	"	7,479	1,636	8,419	1,784	9,055	1,885	74,971	15,615	47,226	10,579
Woollen Fabrics	"	2,055	1,211	2,585	1,590	2,762	1,705	24,132	14,600	17,062	10,790
Rayon Fabrics	"	17,520	1,388	16,878	1,391	18,296	1,554	211,581	16,150	275,567	20,256
Spun Rayon Fabrics	"	49,660	3,511	46,222	3,340	42,198	3,097	515,931	35,058	650,782	40,856
Non-Metallic Mineral Products	—	—	3,072	—	4,145	—	3,765	—	40,740	—	34,984
Cement	m.t.	115,806	643	92,784	516	122,785	648	1,390,910	7,751	1,525,969	9,045
Glass & Glass Products	—	—	695	—	675	—	657	—	7,168	—	5,308
Chinaware	—	—	1,292	—	2,208	—	1,800	—	18,799	—	15,666
Pearls	kg.	3,578	649	4,471	805	4,072	756	39,515	7,886	31,276	5,821
Base Metals	—	—	7,723	—	8,637	—	9,819	—	89,400	—	91,157
Iron & Steel	m.t.	118,115	7,020	132,284	7,916	140,852	8,917	1,439,780	80,710	1,480,106	80,390
Steel Plates (ungalvanized)	"	24,788	1,363	28,857	1,620	28,700	1,679	335,986	16,639	382,437	21,283
Galvanized Steel Plates	"	19,579	1,336	26,179	1,799	24,875	1,726	246,461	16,564	222,051	15,421
Non-ferrous Metals	"	3,331	703	2,866	721	2,568	902	33,139	8,689	34,451	10,767
Metal Products	—	—	3,538	—	4,668	—	3,951	—	34,430	—	27,880
Machinery & Transportation Equipment	—	—	20,623	—	33,291	—	23,128	—	257,897	—	204,484
Machinery (excl. electric machines)	—	—	5,583	—	6,105	—	6,272	—	53,409	—	42,670
Textile Machines & Parts	—	—	1,235	—	978	—	1,432	—	10,603	—	8,774
Sewing Machines	—	154,827	1,457	160,115	1,452	161,655	1,482	1,754,642	16,655	1,555,338	13,831
Electric Machine	unit	—	6,924	—	9,633	—	7,974	—	63,350	—	31,449
Gen. Motors, Trans. & Alternators	—	—	307	—	1,221	—	635	—	6,054	—	2,928
Electric Bulbs	1,000 pcs.	34,679	357	26,359	269	14,949	191	314,888	3,210	335,720	3,173
Transportation Equipment	—	—	8,117	—	17,553	—	8,881	—	141,139	—	130,366
Railway Rolling Stock & Parts	—	—	260	—	327	—	514	—	4,874	—	8,180
Buses, Trucks	unit	1,227	1,091	913	715	950	653	11,122	10,725	4,947	4,335
Bicycles & Parts	—	—	339	—	342	—	383	—	3,299	—	2,163
Ships	G.T.	44,678	5,623	130,488	15,162	61,277	6,582	1,014,972	114,384	1,090,180	109,739
Miscellaneous	—	—	18,866	—	20,225	—	16,932	—	180,629	—	128,124
Clothing	—	—	7,072	—	6,942	—	5,719	—	66,481	—	47,778
Camera	unit	88,229	729	113,451	894	96,065	798,662	6,388	644,567	5,097	5,097
Toys	—	—	3,263	—	3,058	—	2,002	—	28,303	—	22,178
Live Animals not for Food	—	—	34	—	47	—	29	—	251	—	225
Re-export Goods	—	—	257	—	490	—	453	—	3,742	—	3,443

Note: Figures of group total include others than represented. Figures for December are not yet in.

39. Imports by Major Articles

(In million yen)

(Ministry of Finance)

Articles	Units	1959								1958	
		September		October		November		Jan.-Nov.		Jan.-Nov.	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Imports	—	—	107,560	—	107,136	—	104,104	—	1,161,182	—	996,800
Food	—	—	12,231	—	10,108	—	12,351	—	156,870	—	172,810
Cereals & Cereal Preparations	m.t.	296,922	6,703	213,549	4,799	272,817	6,898	3,780,964	93,668	3,935,701	106,371
Wheat	"	199,305	4,605	130,653	3,026	147,185	3,566	2,152,097	51,534	2,096,877	51,141
Rice	"	68	3	2	0	18,866	1,027	247,348	11,938	502,370	25,942
Barley	"	33,832	638	15,103	279	—	—	488,367	10,192	702,837	14,644
Maize (Corn)	"	56,641	1,211	60,848	1,249	100,325	2,071	797,110	16,805	574,963	12,525
Fruit & Vegetables	"	9,449	1,035	14,114	911	15,002	923	153,423	9,839	140,838	8,636
Sugar & Sugar Preparations	"	124,446	2,995	92,342	2,436	115,352	2,905	1,362,863	37,516	1,252,187	41,234
Coffee	"	524	169	735	242	—	490	—	7,052	—	6,322
Beverage & Tobacco	—	—	28	—	50,386	—	71	—	4,898	—	2,148
Tobacco	—	—	15	—	11,010	—	4	—	4,363	—	1,678
Raw Materials, except Fuels	—	—	54,962	—	53,213	—	51,484	—	554,605	—	426,922
Hides & Skins	m.t.	—	1,523	—	1,083	—	789	—	13,649	—	8,589
Oil Seeds	"	149,411	5,888	77,827	3,376	76,854	3,401	1,330,563	51,842	1,098,494	43,128
Soy-beans	"	110,003	3,906	35,932	1,304	39,452	1,369	884,827	30,615	792,430	28,698
Rubber	"	18,433	4,389	18,730	4,466	17,532	4,249	196,820	44,786	146,526	27,460
Crude Rubber	"	11,767	3,058	8,793	2,389	10,312	2,822	127,788	30,872	109,106	20,493
Lumber & Cork	—	—	4,337	—	5,256	—	4,857	—	43,330	—	29,629
Lumber	c.m.	505,083	4,246	562,115	5,189	525,023	4,773	5,087,064	42,538	3,782,731	28,504
Pulp & Waste Papers	—	—	562	—	772	—	516	—	6,556	—	4,174
Textile Fibres & Waste	m.t.	71,902	16,612	77,416	18,257	72,414	18,185	867,720	202,798	742,868	200,920
Wool	"	11,577	5,405	12,420	6,285	14,210	7,444	149,408	66,561	112,092	63,902
Cotton	"	47,241	9,302	53,608	10,372	45,704	8,923	584,448	112,992	525,589	120,044
Cotton, Ginned	"	43,846	8,889	49,916	9,915	42,502	8,548	536,299	108,371	466,870	113,190
Hard & Bast Fibres	"	11,396	1,111	9,802	940	10,508	1,029	108,684	10,093	89,074	8,003
Fertilizers & Non-metallic Minerals	—	—	2,466	—	2,496	—	2,607	—	25,900	—	21,904
Crude Fertilizers	m.t.	119,838	678	139,378	771	157,823	914	1,611,730	9,056	1,423,101	8,924
Salt	"	175,891	535	159,831	487	172,635	538	1,724,029	5,192	1,492,497	4,561
Metal Ores & Metal Scrap	—	1,712,410	18,729	1,640,411	16,897	1,506,578	16,330	15,500,553	160,149	9,397,513	85,190
Iron Ore	"	925,549	4,658	1,028,366	5,065	909,401	4,631	9,437,517	47,306	7,002,622	41,178
Scrap Iron	"	472,630	8,739	369,176	6,866	388,072	7,157	3,677,033	66,169	1,231,689	21,451
Non-ferrous Metal Ores	"	307,278	4,132	235,972	3,726	202,719	3,408	2,314,745	34,237	1,124,701	16,788
Copper Ore	"	43,257	2,044	23,899	1,682	27,676	1,386	312,982	15,609	194,978	6,910
Nickel Ore	"	107,710	702	85,378	552	41,127	284	596,781	3,971	195,152	1,932
Aluminium Ore	"	103,877	442	75,660	352	68,914	250	752,455	2,842	406,988	1,730
Manganese Ore	"	12,272	119	10,016	99,923	27,183	298	261,378	2,968	156,355	2,178
Non-ferrous Metal Scrap	"	6,953	1,198	6,897	1,239	6,386	1,133	71,266	12,429	38,501	5,764
Copper Scrap	"	66	15	95	21	190	51	1,070	264	2,532	519
Brass Scrap	"	5,121	924	5,520	1,029	4,618	846	56,174	10,272	28,505	4,540
Mineral Fuels	—	—	15,006	—	20,824	—	18,483	—	181,595	—	169,254
Coal	m.t.	468,576	3,014	531,780	3,334	416,319	2,635	4,554,655	29,313	4,314,228	32,531
Anthracite	"	29,893	191	37,144	222	40,041	243	465,501	2,849	440,238	2,889
Bituminous (for coking)	"	45,537	267	53,583	318	35,567	217	592,489	3,619	835,612	5,878
Petroleum	k.l.	1,809,295	11,654	2,745,071	17,164	2,582,792	15,640	22,893,589	149,309	17,851,295	134,751
Crude & Unrefined	"	1,568,675	9,759	2,323,400	13,817	2,199,880	12,707	19,700,293	124,502	14,875,006	107,712
Heavy Oil	"	221,838	1,372	368,944	2,457	349,433	2,289	2,946,756	19,268	2,691,889	21,969
Animal & Vegetable Oils	—	—	1,162	—	801,161	—	889	—	11,603	—	10,290
Animal Fats & Oils	m.t.	14,612	1,021	7,087	500	9,739	617	127,825	9,330	105,783	8,245
Beef Tallow	"	14,526	1,006	6,976	469,786	9,720	604	124,107	8,880	104,156	8,048
Vegetable Oils	"	830	104	2,711	263	2,035	241	19,986	1,926	16,264	1,734
Chemicals, Drugs	—	—	7,787	—	7,504	—	6,982	—	71,618	—	53,522
Inorganic Chemicals	—	—	519	—	428	—	421	—	4,218	—	2,940
Organic Chemicals	—	—	1,725	—	983	—	1,189	—	14,006	—	10,531
Potassic Fertilizers	m.t.	—	1,264	—	1,125	—	1,244	—	10,280	—	9,733
Synthetic Plastic Materials	"	4,503	1,338	5,263	1,690	4,884	1,459	43,229	13,187	24,990	7,485
Manufactured Products by Materials	—	—	6,077	—	4,741	—	5,468	—	46,422	—	33,501
Textile Yarns & Fabrics	—	—	799	—	198	—	184	—	4,828	—	4,422
Base Metals	m.t.	80,647	3,825	88,186	3,252	95,810	4,183	539,617	29,973	171,663	17,851
Iron & Steel	"	73,970	2,031	84,639	1,955	90,111	2,244	488,357	14,284	141,793	8,761
Non-ferrous Metals	"	6,677	1,794	874	1,296	5,699	1,939	51,261	15,688	29,870	9,655
Copper	"	1,073	289	374	903	219	219	20,422	4,098	10,711	2,513
Lead	"	51	4	108	8,434	283	21	1,726	133	3,232	270
Tin	"	690	557	779	624	1,162	931	8,687	6,891	6,526	4,794
Machinery & Transportation Equipment	—	—	8,775	—	8,174	—	6,985	—	116,378	—	112,403
Machinery (excl. electric machines)	—	—	6,064	—	4,884	—	5,297	—	86,006	—	89,301
Electric Machines	—	—	832	—	1,121	—	560	—	12,301	—	9,875
Transportation Equipments	—	—	1,879	—	2,170	—	1,128	—	18,071	—	13,228
Passenger Cars, complete	unit	307	168	480	159	137	114	5,886	2,881	4,731	2,745
Aircraft & Parts	—	—	421	—	496	—	248	—	4,188	—	6,756
Miscellaneous	—	—	1,319	—	421	—	311	—	4,235	—	3,645
Live Animals not for Food	—	—	16	—	17	—	44	—	226	—	231
Re-import Goods	—	—	197	—	151	—	90	—	1,627	—	1,214

Note : Figures of group total include others items not represented above. Figures for December are not yet in.

40. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1960			Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1960		
			January		Feb. 15				January		Feb. 15
			High	Low					High	Low	
Mining						Coal & Petroleum					
Mitsubishi Metal Mining	4,095	12	111	98	100	Nippon Oil	10,000	12	219	□ 121	129
Nihon Mining	5,670	12	144	122	131	Showa Oil	3,000	10	140	125	127
Sumitomo Metal Mining	3,218	12	113	100	100	Maruzen Oil	11,025	15	136	120	109
Mitsui Metal Mining	4,800	15	107	98	97	Mitsubishi Oil	2,807	10	220	190	196
Mitsui Mining	3,000	—	51	47	45	Toa Nenryo Kogyo	5,990	20	335	273	320
Mitsubishi Mining	5,400	—	47	42	40	Mitsubishi Chemical Ind.	5,950	12	184	144	171
Sumitomo Coal Mining	2,460	5	51	49	50	Rubber, Glass & Ceramics					
Furukawa Mining	3,307	5	61	56	56	Yokohama Rubber	2,000	10	143	118	130
Ube Industries	9,225	10	88	82	80	Asahi Glass	5,000	18	359	306	339
Teikoku Oil	4,000	12	162	101	130	Nippon Sheet Glass	2,500	20	284	253	273
Dowa Mining	3,045	10	168	135	144	Nihon Cement	5,000	15	181	158	160
Foodstuffs						Iwaki Cement	1,000	36	608	510	573
Nippon Suisan	5,941	6	86	71	68	Onoda Cement	12,000	13	108	96	98
Nippon Flour Mills	1,440	15	131	125	127	Nippon Toki	800	23	400	320	433
Nisshin Flour Milling	1,500	16	145	137	140	Nippon Gaishi	1,000	20	358	280	450
Dainippon Sugar Mfg.	720	25	374	304	386	Metal Industries					
Taito	600	30	359	335	—	Yawata Iron & Steel	38,000	12	125	111	108
Japan Beet Sugar Mfg.	1,350	16	190	159	196	Fuji Iron & Steel	33,000	12	106	92	88
Morinaga Confectionery	1,200	30	190	175	185	Kawasaki Steel	16,731	6	95	79	76
Meiji Confectionery	1,260	18	198	174	212	Nippon Kokan	22,500	12	90	79	76
Nippon Breweries	2,800	18	298	245	331	Sumitomo Metal Ind.	16,974	6	85	75	80
Asahi Breweries	2,800	18	307	255	341	Kobe Steel	12,000	12	104	85	88
Kirin Breweries	4,151	20	329	284	371	Tokyo Rope	800	15	226	210	218
Takara Shuzo	5,890	15	132	113	140	Japan Light Metal	3,630	10	479	351	515
Japan Distilling	1,155	6	97	74	83	Toyo Seikan	(A) 1,600	15	1,330	1,250	1,200
Honon Oil Mills	1,500	17	185	168	190	Machinery					
Nissin Oil Mills	1,000	20	172	157	172	Ebara Mfg.	1,200	20	330	273	362
Noda Soy Sauce	1,200	21	310	298	318	Nippon Seiko	1,600	20	190	158	190
Ajinomoto	2,296	35	429	361	443	Toyo Bearing	1,300	20	228	195	228
Nippon Cold Storage	3,000	14	118	105	109	Koyo Seiko	14,000	25	189	145	201
Textiles						Electric Machinery					
Toyo Spinning	8,062	16	133	127	123	Hitachi Ltd.	30,000	15	217	196	221
Kanegafuchi Spinning	4,005	12	110	100	98	Tokyo Shibaura Electric	25,000	15	218	195	220
Dai Nippon Spinning	6,562	18	110	104	107	Mitsubishi Electric	12,800	15	220	181	207
Fuji Spinning	3,600	16	88	81	81	Fuji Electric Mfg.	5,400	15	285	221	272
Nisshin Cotton Spinning	2,028	26	200	188	188	Furukawa Electric	6,000	12	142	109	130
Kurashiki Spinning	3,200	18	108	101	100	Nippon Electric	8,000	15	361	252	402
Nitto Spinning	1,700	12	83	75	80	Transportation Equipment					
Ohmi Kensei Spinning	2,249	8	69	60	63	Mitsubishi Shipbuilding & Engineering	11,200	12	116	95	95
Japan Wool Textile	2,716	20	125	121	122	Mitsubishi Nippon Heavy Ind.	4,500	12	152	109	133
Daito Woollen Spinning	1,500	15	80	76	76	Mitsui Shipbuilding & Engineering	4,500	15	110	98	99
Teikoku Textile	1,220	8	53	47	50	Mitsubishi Heavy Ind. Reorg.	12,348	12	242	205	218
Teikoku Rayon	5,557	12	134	123	119	Ishikawajima Heavy Ind.	5,200	12	126	99	106
Toyo Rayon	12,000	18	281	245	250	Nissan Motor	6,930	15	278	227	255
Toho Rayon	1,545	8	115	100	88	Isuzu Motor	5,000	16	209	165	188
Mitsubishi Rayon	2,480	12	125	107	104	Toyota Motor	10,500	20	349	311	354
Kurashiki Rayon	3,000	15	167	148	146	Precision Machinery					
Asahi Chemical	(B) 8,000	18	404	□ 278	290	Nippon Kogaku	554	—	150	117	132
Paper & Pulp						Canon Camera	1,600	10	245	194	206
Kokoku Pulp	3,120	—	43	38	34	Other Manufacturing Industries					
Sanyo Pulp	3,176	10	70	61	56	Toppan Printing	750	18	370	□ 260	365
Nippon Pulp Ind.	1,600	12	93	83	73	Nippon Musical Instrument	1,000	20	475	435	634
Kokusaku Pulp	2,042	5	67	60	57	Trading Companies					
Tohoku Pulp	2,465	5	73	65	57	Mitsui Bussan	6,223	14	377	332	403
Oji Paper	5,000	23	175	164	157	Mitsubishi Shoji	5,000	14	301	264	295
Honshu Paper	2,000	8	159	137	126	Mitsukoshi	2,430	20	341	265	308
Jufo Paper	2,760	26	310	□ 240	223	Real Estate					
Mitsubishi Paper Mills	1,080	15	150	126	147	Mitsui Real Estate	1,000	15	637	441	650
Chemical Industries						Mitsubishi Estate	5,160	15	311	253	290
Toyo Koatsu Ind.	7,488	4	117	98	97	Heiwa Real Estate	1,323	12	321	266	292
Nitto Chem. Ind.	4,031	5	118	106	113	Transportation & Shipping					
Showa Denko	9,000	12	179	147	163	Tobu Railways	2,400	12	138	124	133
Sumitomo Chemical	8,000	12	248	215	232	Tokyo El. Express Railway	4,500	12	105	98	110
Shin Nippon Chisso Hiryo	2,700	12	176	140	161	(B) 21,600	14	150	142	140	
Nissan Chemical Ind.	2,163	—	114	79	91	Nippon Express	11,400	—	76	56	63
Nippon Soda	1,630	8	114	76	89	Nippon Yusen	7,600	—	47	36	37
Toyo Soda	1,500	15	115	100	100	Osaka Shosen	6,000	—	60	49	48
Toa Gosei Chemical Ind.	2,917	10	117	98	103	Nitto Steamship	5,500	—	65	50	52
Electro-Chemical Ind.	2,597	5	118	98	123	Mitsui Steamship	13,200	—	45	36	35
Shin-etsu Chemical Ind.	2,200	12	122	106	112	Mitsubishi Shipping	4,800	—	58	48	46
Mitsui Chemical Ind.	3,200	12	112	93	103	Warehouse & Entertainment					
Kyowa Fermentation	2,460	10	133	113	128	Mitsubishi Warehouse	1,200	10	111	95	102
Dainippon Celluloid	2,251	6	118	96	108	Shochiku Motion Picture	2,772	12	75	70	77
Nippon Chemical Ind.	800	15	115	100	99	Nikkatsu	3,366	10	78	64	60
Sankyo	1,320	18	177	150	151						
Fuji Photo Film	2,500	18	205	184	194						
Konishiroku Photo Ind.	1,800	—	137	107	121						
Tokyo Electric Power	(A) 45,000	10	585	566	583						
Tokyo Gas	15,600	12	73	69	68						

Notes: (A) 500 yen shares. (B) 100 yen shares. Reet are all 50 yen. □ ex-new

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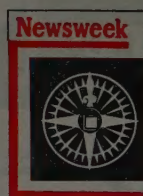
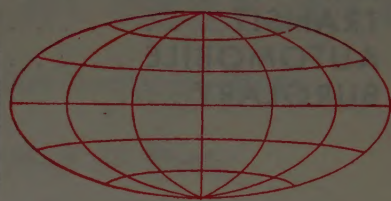
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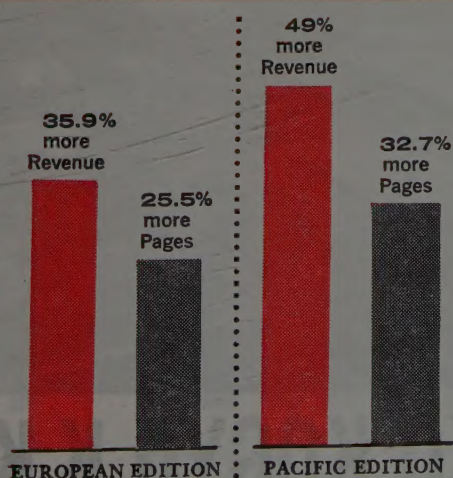
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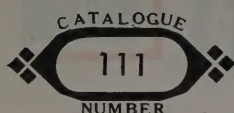
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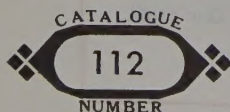
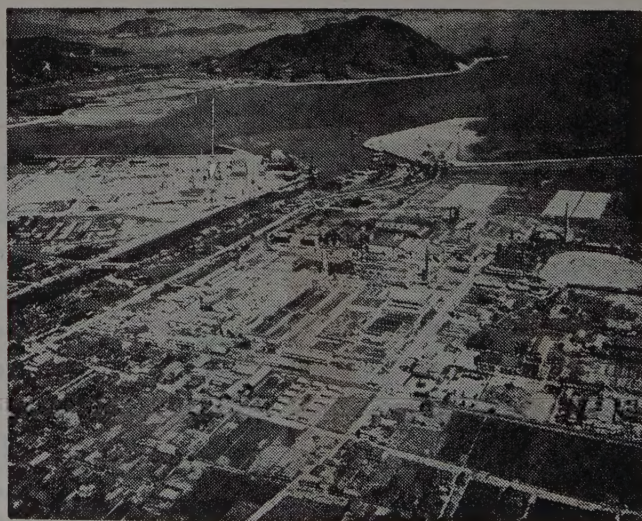
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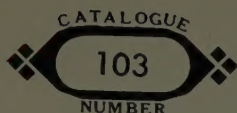


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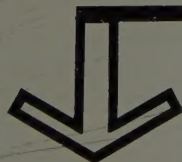
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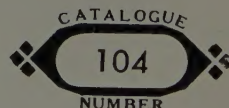
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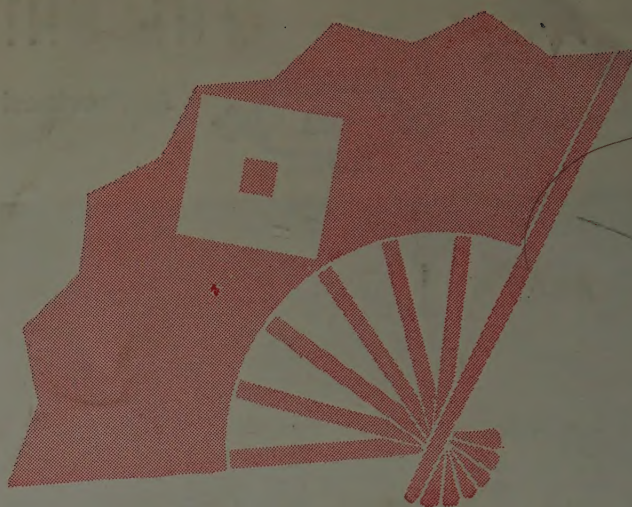


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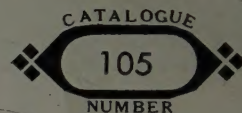
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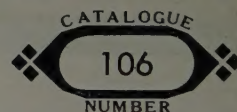


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